4793. Also, petition of the State, County, and Municipal Workers of America, urging a revision of the Works Progress Administration relief appropriation bill and restoration of the prevailing wage scale; to the Committee on Appropriations.

4794. Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, Cleveland, Ohio, urging enactment of the omnibus transportation bill; to the Committee on Interstate and Foreign Commerce.

4795. Also, petition of the Brotherhood of Maintenance of Way Employees, Detroit, Mich., representing 180,000 railway employees, urging support of the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4796. By Mr. KEOGH: Petition of James C. Quinn, secretary, Central Trades Labor Council, New York City, concerning the Wheeler bill (S. 2009) and Lea bill (H. R. 4862); to the Committee on Interstate and Foreign Commerce.

4797. Also, petition of the Brotherhood of Maintenance of Way Employees, Detroit, Mich., concerning the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4798. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., favoring the passage of House bill 6479, amending section 2857 of the Federal Distilled Spirits Act; to the Committee on Ways and Means.

4799. Also, petition of the State, County, and Municipal Workers of America, New York district, concerning a revision of the Work Relief Act; to the Committee on Appropriations.

4800. Also, petition of the International Longshoremen's Association, New York, N. Y., concerning the Lea bill (H. R. 4862); to the Committee on Interstate and Foreign Commerce.

4801. Also, petition of the American Trucking Associations, Inc., Washington, D. C., concerning the House transportation bill; to the Committee on Interstate and Foreign Commerce.

4802. Also, petition of the Order of Railway Conductors of America, Cedar Rapids, Iowa, concerning the transportation bill now before the House for consideration; to the Committee on Interstate and Foreign Commerce.

4803. By Mr. PFEIFER: Petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., recommending the passage of House bill 6479, amending section 2857 of the Federal Distilled Spirits Act; to the Committee on Ways and Means.

4804. Also, petition of the State, County, and Municipal Workers of America, New York district, urging revision of the present Works Progress Administration Act; to the Committee on Appropriations.

4805. Also, petition of the Central Trades Labor Council, New York City, opposing enactment of the Wheeler bill (S. 2009) and the Lea bill (H. R. 4862); to the Committee on Interstate and Foreign Commerce.

4806. Also, petition of the Order of Railway Conductors of America, Cedar Rapids, Iowa, urging support of the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4807. Also, petition of the American Trucking Association, Inc., Washington, D. C., opposing the House transportation bill; to the Committee on Interstate and Foreign Commerce.

4808. Also, petition of the Brotherhood of Maintenance of Way Employees, Detroit, Mich., urging support of the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4809. Also, petition of the Mallory Transport Lines, New York City, opposing the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4810. Also, petition of the International Longshoremen's Association, New York City, opposing the Lea transportation bill (H. R. 4862); to the Committee on Interstate and Foreign Commerce.

# SENATE

THURSDAY, JULY 20, 1939

(Legislative day of Tuesday, July 18, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Reverend Duncan Fraser, assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

Blessed be Thou, O Lord God of our fathers, for that Thou hast called us out of every people and tongue to become a new nation, dedicated to Thy service and the welfare of Thy children. Make us and all those in authority mindful of the privilege we share. Give us help to rule ourselves in all justice and equity, that we may escape the condemnation which ever awaits those who oppress and despoil. Strengthen us with the sense of Thy ever-present guidance, and revive our Nation with a firm resolve to be a light to lighten the nations into a state of international law and comity. Through Jesus Christ, our Lord and Saviour. Amen.

#### THE JOURNAL

On request of Mr. Barkley, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, July 19, 1939, was dispensed with, and the Journal was approved.

#### CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.
The VICE PRESIDENT. The clerk will call the roll.
The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Downey	King	Reed
Andrews	Ellender	La Follette	Russell
Ashurst	Frazier	Lee	Schwartz
Austin	George	Lodge	Schwellenbach
Bailey	Gerry	Logan	Sheppard
Bankhead	Gibson	Lucas	Shipstead
Barbour	Gillette .	Lundeen	Slattery
Barkley	Glass	McCarran	Stewart
Bone	Green	McKellar	Taft
Borah	Guffey	McNary	Thomas, Okla.
Bridges	Gurney	Maloney	Thomas, Utah
Bulow	Hale	Mead	Tobey
Burke	* Harrison	Miller	Townsend
Byrd	Hatch	Minton	Truman
Byrnes	Hayden	Murray	Tydings
Capper	Herring	Neely	Vandenberg
Chavez	Hill	Norris	Van Nuys
Clark, Idaho	Holman	O'Mahoney	Wagner
Clark, Mo.	Holt	Overton	Walsh
Connally	Hughes	Pepper	Wheeler
Danaher	Johnson, Calif.	Pittman	White
Davis	Johnson, Colo.	Radcliffe	Wiley

Mr. MINTON. I announce that the Senator from North Carolina [Mr. Reynolds], the Senator from New Jersey [Mr. Smathers], and the Senator from South Carolina [Mr. Smith] are detained from the Senate because of illness in their families.

The Senator from Mississippi [Mr. Bilbo], the Senator from Michigan [Mr. Brown], and the Senator from Arkansas [Mrs. Caraway] are absent on important public business.

The Senator from Ohio [Mr. Donahey] is unavoidably detained.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of Typographical Union, No. 6, of New York, N. Y., protesting against certain provisions of the Works Progress Administration resolution relative to hours of work and wages, which was referred to the Committee on Appropriations.

He also laid before the Senate the petition of members of the Workers Alliance of America, of Pampa, Tex., praying for the enactment of legislation to restore the art and other so-called white-collar projects under the W. P. A., and to eliminate wage cuts and the payless furlough in the W. P. A. program, which was referred to the Committee on Appropriations.

He also laid before the Senate a letter from United Federal Workers of America, Local No. 2, Washington, D. C., embodying the results of a poll of employees of the Department of Agriculture on certain provisions of the so-called Neely retirement bill, which was referred to the Committee on Civil Service.

Mr. TYDINGS presented a resolution of the Commercial Credit Co., of Baltimore, Md., favoring the prompt enactment of legislation to amend certain provisions of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of Baltimore, Md., praying for the enactment of neutrality legislation to keep the Nation out of foreign war, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the Department of Maryland, Veterans of Foreign Wars, favoring further restrictions in regard to criminal aliens and aliens illegally in the United States, and requesting that the immigration laws be fully enforced, which was referred to the Committee on Immigration.

He also presented a resolution of the Baltimore (Md.) branch, National League of American Pen Women, favoring the return of the U. S. frigate Constellation to the port of Baltimore, and requesting that the frigate be assigned a permanent berth at Fort McHenry, Md., which was referred to the Committee on Naval Affairs.

#### REPORTS OF COMMITTEES

Mr. McNARY, from the Committee on Indian Affairs, to which was referred the bill (H. R. 4540) authorizing the restoration to tribal ownership of certain lands upon the Umatilla Indian Reservation, Oreg., and for other purposes, reported it with an amendment and submitted a report (No. 835) thereon.

Mr. VAN NUYS, from the Committee on Expenditures in the Executive Departments, to which was referred the bill (H. R. 6614) to amend the Government Losses in Shipment Act, reported it with an amendment and submitted a report (No. 886) thereon.

Mr. LOGAN, from the Committee on Mines and Mining, to which was referred the bill (S. 2420) relating to certain inspections and investigations in coal mines for the purpose of obtaining information relating to health and safety conditions, accidents, and occupational diseases therein, and for other purposes, reported it with amendments and submitted a report (No. 887) thereon.

Mr. HUGHES, from the Committee on the Judiciary, to which was referred the bill (H. R. 6505) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, reported it with amendments and submitted a report (No. 888) thereon.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOLMAN:

S. 2840. A bill to prohibit the immigration of aliens into the United States during the present period of abnormal unemployment and the expenditure of public funds for the relief of the unemployed; to the Committee on Immigration.

By Mr. JOHNSON of California:

S. 2841. A bill to authorize the construction of buildings and other facilities for the use of the Government on lands conveyed to the United States by the city of Alameda, Calif., on what is known as Government Island, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. SHEPPARD:

S. 2842. A bill to provide for an appeal to the Supreme Court of the United States from the decision of the Court of Claims in a suit instituted by George A. Carden and Anderson T. Herd; to the Committee on the Judiciary.

By Mr. O'MAHONEY:

S. 2843. A bill granting easements on Indian lands of the Wind River or Shoshone Indian Reservation, Wyo., for dam

site and reservoir purposes in connection with the Riverton reclamation project; to the Committee on Indian Affairs.

By Mr. BYRD:

S. 2844. A bill granting an increase of pension to Mary W. Osterhaus; to the Committee on Pensions.

S. 2845. A bill to amend section 355 of the Revised Statutes, as amended, to make permissive the acquisition of legislative jurisdiction over land or interests in land acquired by the United States; to the Committee on Public Buildings and Grounds.

By Mr. WHEELER:

S. 2846. A bill to amend the act entitled "An act to amend and consolidate the acts respecting copyright," approved March 4, 1909, as amended; to the Committee on Patents.

By Mr. JOHNSON of Colorado:

S. 2847. A bill for the relief of Tony Cirone; to the Committee on Claims.

## LOANS FOR SELF-LIQUIDATING PROJECTS-AMENDMENT

Mr. MEAD submitted an amendment intended to be proposed by him to the bill (S. 2759) to provide for the construction and financing of self-liquidating projects, and for other purposes, which was referred to the Committee on Banking and Currency, and ordered to be printed.

THE PRINTING INDUSTRY AND PROPOSED COPYRIGHT CONVENTION (S. DOC. NO. 99)

On motion by Mr. Hayden, memoranda regarding the probable effects on the printing industry of adoption of the Copyright Convention, with a foreword by Mr. Hayden, were ordered to be printed.

# TRADE AGREEMENT WITH THE PHILIPPINE ISLANDS

[Mr. Gibson asked and obtained leave to have printed in the Record letters from Vice President Osmeña, Jacob Gould Schurman, and Francis B. Sayre on the subject of a trade agreement with the Philippine Islands, which appear in the Appendix.]

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed the bill (S. 2065) to provide for the regulation of the sale of certain securities in interstate and foreign commerce and through the mails, and the regulation of the trust indentures under which the same are issued, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5735) to authorize the acquisition of additional land for military purposes.

The message further announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 153. An act to transfer jurisdiction over commercial prints and labels, for the purpose of copyright registration, to the Register of Copyrights; and

H. R. 6065. An act to authorize major overhauls for certain naval vessels, and for other purposes.

## MARKETING QUOTAS FOR CORN

Mr. LUCAS. Mr. President, some time ago I introduced Senate bill 2694, amending section 322 of the Agricultural Adjustment Act, dealing directly with the marketing quotas for corn; and also Senate bill 2695, amending section 335 (c) of the Agricultural Adjustment Act, dealing primarily with the marketing quotas for wheat.

On Tuesday last both those bills passed the Senate after explanation and debate. On the same day the House of Representatives passed two companion measures, both arriving in the Senate immediately after we had passed Senate bills 2694 and 2695.

Yesterday by unanimous-consent agreement the Committee on Agriculture and Forestry was discharged from further consideration of House Joint Resolution 342.

I now ask unanimous consent for the immediate consideration of House Joint Resolution 342, which is on all fours with Senate bill 2694, and squares with it insofar as the objective is concerned.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Illinois? The Chair hears none,

and the joint resolution will be stated by title.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 342) relating to section 322 of the Agriculture Adjustment Act of 1938, as amended.

The joint resolution was considered, ordered to a third

reading, read the third time, and passed.

Mr. LUCAS. I now move that the vote by which Senate bill 2694 was passed be reconsidered, and that the bill be indefinitely postponed.

The motion was agreed to.

#### MARKETING QUOTAS FOR WHEAT

Mr. LUCAS. Mr. President, with respect to House Joint Resolution 343, which I have heretofore explained, I ask unanimous consent that the Committee on Agriculture and Forestry, to which that joint resolution has been referred, be discharged from its further consideration.

The PRESIDENT pro tempore. Without objection, it is

so ordered.

Mr. LUCAS. I now ask unanimous consent for the immediate consideration of House Joint Resolution 343.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution? The Chair hears none, and the joint resolution will be read by its title.

The Legislative Clerk. A joint resolution (H. J. Res. 343) to amend section 335 (c) of the Agricultural Adjustment Act of 1938, as amended.

The joint resolution was considered, ordered to a third

reading, read the third time, and passed.

Mr. LUCAS. I now move that the vote by which Senate bill 2695 was passed be reconsidered and that the bill be indefinitely postponed.

The motion was agreed to.

# TRUTH IN FABRIC

The Senate resumed the consideration of the bill (S. 162) to protect producers, manufacturers, distributors, and consumers from the unrevealed presence of substitutes and mixtures in spun, woven, knitted, felted, or otherwise manufactured wool products, and for other purposes.

Mr. SCHWARTZ. Mr. President, yesterday I canvassed some features of Senate bill 162. I see present now a number of Senators who were not in the Chamber at that time. I desire to refer briefly to the features of the bill which I canvassed yesterday. I stated at that time, and I wish now to repeat, that the principal matters of controversy in this bill are two. First, there is objection to a differentiation between new wool and reworked wool; and, secondly, there are certain manufacturers who are opposed to labeling of any kind at any time and in any way.

Yesterday I read from the American Wool Handbook, the standard publication in wool technology, the method of manufacturing shoddy and the effect of such manufacture upon the fiber of the wool and upon its length and its value. That matter is in yesterday's Record, of course.

Yesterday I also referred to the fact that early in 1938 it was the general consensus of opinion of technologists in the wool business that reworked wool cannot be distinguished from virgin wool in the manufactured cloth.

Then I proceeded to show that since early in 1938 the Department of Agriculture has been working upon that problem, and some of the leading technologists in private industry have been working upon the problem; and I set forth in the Record letters from the Department of Agriculture and tests made by private technologists showing that today not only may the presence of reworked wool and virgin wool in manufactured cloth be determined, but the respective amounts of each of those classifications may be determined with a reasonable and fair degree of accuracy.

I also stated yesterday and read from a report of the Federal Trade Commission on the matter of the expense involved in enforcing this bill if it becomes a law. I stated that last year it was asserted that the expense would be enormous. The communication from the Federal Trade Commission says that not only will the expense not be heavy, but, in their judgment, the enactment of the bill may reduce their present expenses, due to their efforts at this time to take care of the many complaints which come to them about unfair practices in reference to the textile trade.

When we had a similar bill before the Senate last year, and when it was passed by the Senate, a suggestion was made that we would be unable to control foreign imports; that foreign imports would come in here free from the requirements of our labeling law. We have a provision in the

bill of this year which takes care of that matter.

I also read into the RECORD yesterday a letter from the Secretary of the Treasury in which he sets forth the particular classes of additional employees, both in foreign shipping centers and in our ports, that will be necessary in order to see that there is no violation of the Labeling Act, or, if there is a violation, at least that it will be reported. The Secretary of the Treasury says that the additional expense, both here and abroad, including house rent abroad, will amount to a total of only about \$55,000. That is a very nominal sum indeed when we consider the enormous amount of imports, not only of rags from abroad, but particularly of shoddy and of manufactured garments which come over here on the strength of the old theory that in order to get a nice cloth it is necessary to get it from England. It comes over here and passes for virgin wool, when as a matter of fact it has in it a large percentage of reclaimed wool.

I also mentioned yesterday that the use of rags and shoddy in this country is increasing rapidly; that whereas a few years ago, of the amount of wool taken by the mills about 25 percent was shoddy, at this time 40 percent is shoddy. In other words, of the wool taken by the mills, 60 percent is virgin wool, and 40 percent, or possibly a little more at this

time, is shoddy or reworked wool.

I also stated that within the past year the importation of rags from Great Britain has increased about 1,550 percent, so that we probably are getting to a point where very soon, as a result of the process of reworking rags abroad, the rags of Europe will be clothing the American public, and especially American men.

It has been frequently asserted that if this bill is passed, sharpers—who evidently are not sharp now, or they would be doing the same thing—will buy a cheap grade of virgin wool and make it into a virgin-wool fabric and label it virgin wool, and thereby destroy the value of virgin wool labeled by the good manufacturers who now make virgin-wool products in the United States. If that were possible to be done, of course, the same supposititious set of sharks or cheaters would be at that practice now.

I demonstrated yesterday, I believe, that the values and uses of various grades of virgin wool and reworked wool are comparable. In other words, a cheap grade of virgin wool is used in such manufactures and for such purposes that if a reworked wool is used in substitution the same grade of reworked wool is used for that purpose; and when a high grade of virgin wool is used, if reworked wool is used in substitution it is necessary to have a high grade of reworked wool. So the only method by which to compare values is to compare like with like and kind with kind.

Mr. President, while I was talking yesterday the junior Senator from Massachusetts [Mr. Lodge] asked me to what extent and what sort of labor organizations were supporting Senate bill 162. I told him I would endeavor to obtain that information, and I have gotten it from the hearings.

Francis J. Gorman, president of the United Textile Workers of America, appeared in support of the bill, and his testimony appears on pages 38 to 43 of the hearings. I understand that last year when he testified his organization was associated or affiliated with the C. I. O. At this time, I believe, it is again in the fold of the American Federation of Labor.

I desire to read a very brief paragraph from Mr. Gorman's testimony. In the first place, I should say that he is specifically in favor of this particular bill,

He savs

The old caveat emptor basis of doing business has been discarded by a decision of the United States Supreme Court. Our business slogan need no longer be, "Let the buyer beware." With better identification of the portion of virgin wool, reclaimed wool, and other materials used in wool manufacture, the wool worker can take greater pride in his craft, the manufacturer can afford to build a reputation on quality merchandise, the clerks in the stores need not qualify as bunco artists, either purposely or through their own lack of information, and the consumer will get what he asks for.

Because the label will disclose it.

He goes on, and says:

We are not opposed to the use of reclaimed or shoddy wool or we are not opposed to the use of reclaimed or should wool of of cotton or rayon for mixture purposes. Many materials, which are neither originals nor pure in quality, have their uses, and these uses may be valid and admirable. What we contend is that there should be accurate identification so that the purchaser may know what is being purchased.

There also appeared before the committee Mrs. Maie Fox Lowe, president of the Women's Auxiliary to the National Federation of Post Office Clerks. Her testimony begins in the hearings at page 80. I wish to read just a short paragraph of her testimony at page 83. Mrs. Lowe is testifying:

There was one other thing which I should like to say: The opponents of this bill say that other fibers are necessary in wool goods besides virgin wool. If those things are necessary and if the addition of those other fibers makes a better garment, why be afraid to put it on the label and let the consumer be the judge? That is what we want to know. We think we are entitled to know what we buy. If we have to buy or choose to buy a garment that has other things in it than wool, that is perhaps our business or our misfortune. But if we want to buy all virgin wool we should be entitled to know it. be entitled to know it.

# Then I asked Mrs. Lowe this question:

I suppose it would be true that if you bought a garment with 50 percent virgin wool and 50 percent reclaimed wool and it proved to be satisfactory, then you would have no objection to buying another one?

She said:

I certainly would not, and I would be glad to know just what it was, so I could ask for another one next time.

In the record also appears the statement of May Peake, international president of the Ladies' Auxiliary of the International Association of Machinists. That is an American Federation of Labor organization, I understand. Her statement appears at page 82.

There is also in the hearings, at page 124, a letter from I. M. Ornburn, secretary-treasurer of the Union Labor Trades Department of the American Federation of Labor, and also the testimony of John M. Baer, who testified last year, and who is connected with that department. I wish to read, for the benefit of the RECORD, just a few paragraphs from the letter of Mr. Ornburn, secretary-treasurer of the Union Label Trades Department of the American Federation of Labor, addressed to me:

DEAR SIR: My absence from Washington prevents a personal ap-

Dear Sir: My absence from Washington prevents a personal appearance before your committee. I am, therefore, requesting that the following statement be included in the record of the hearing on S. 162, the wool-products-labeling bill of 1939.

The Union Label Trades Department of the American Federation of Labor urges the passage of this measure, as it has supported previous bills aimed at protection of the consumer, especially the provisions that would force disclosure of the reclaimed wool or shoddy content of wool products.

Our department represents 51 directly affiliated international unions of the A. F. of L. with a membership of over 1,000,000, including the Sheepshearers' Union which is directly interested in this legislation. In addition, our department's activities have the

this legislation. In addition, our department's activities have the loyal support of the 4,500,000 members of the American Federation of Labor. Furthermore, the American Federation of Women's Auxiliaries of Labor, representing 2,000,000 women, is organized under our department.

I will not read the remainder of the statement: it is rather

Mr. President, at the hearings it was contended by some of the garment manufacturers from New York City, and possibly one or two from some other points, as I recall, though I am not sure, that in the application of the provisions of the bill it would be a physical impossibility, or at least it would present a great and onerous burden, to keep the labels on the goods from the time the manufacturer makes the goods until the goods are sold at the retail store. Some effort was made to show that in the process of manufacture the identity

of the particular piece of cloth would be lost, and, because of the loss of its identity, it would be impossible to attach the proper labels which the manufacturer had given for a particular piece of cloth.

Mr. President, if this were a good objection, to my mind, it would be a very serious one, because certainly we do not want to enact a bill which cannot be enforced. So, because that presented a serious question to my mind, I sought and secured from one of the leading garment manufacturers of New York City a technical statement as to just what the procedure is from the time cloth is made until it leaves the hands of the manufacturer, where the loss is supposed to occur. Because that is an important question, and because it is one which would appeal to Senators, I shall take a few minutes this morning to read the statement I received, because I am not a manufacturer of wool, and I am not familiar with the wool business, except as I have studied it for the past few years. Therefore, in order to keep the record straight, I shall take the time to read this statement. It is as follows:

#### GARMENT MANUFACTURING

The production of garments is operated on two basically different principles: (1) Inside manufacturing, and (2) the contracting system. Wages are also based on two systems—(1) weekly basis and (2) piece-work basis. Of the two wage systems, by far the largest volume of garments are made on the piece-work system. Inside manufacturers represent a restricted group of higher-priced garment manufacturers, whose output is limited and whose product is made on their own premises. These manufacturers make garments against order only and cut from one to four or five at one time. All goods moving through their factory from the time the piece goods are received until the goods are shipped are specifically identified as to source and quality of materials, color, style, and price.

By far the greatest volume of garments sold by so-called garment manufacturers is made for them by contractors, comprising independent firms who work for a number of garment manufacturers making garments according to specified prices which are agreed upon between the garment manufacturer and the contractor. This system is followed by both manufacturers of better and medium grade garments and by volume manufacturers making the lowest priced garments. The sole difference between the better and medium grade garment manufacturers and the chearer volume. and medium grade garment manufacturers and the cheaper volume manufacturers is that the former, as a general rule, cut garments against actual orders, while the latter accumulate a stock of garments and then sell them from their racks. In other words, the vol-ume manufacturer speculates on the probable market for particular styles of garments, and as a selling inducement offers customers a lower price and "immediate delivery" as against the normal period of time required by the better and medium grade manufacturers to produce against orders received.

As a general rule, manufacturers of the better and medium garments accumulate a number of orders which are taken in their showrooms or by traveling salesmen from individual retail customers. When a sufficient number of orders have been accumulated for what is termed a "cutting" the total quantity represented by this order are assembled according to the style and quality and color of fabric and are listed on what is known as the "cutting ticket." color of fabric and are listed on what is known as the "cutting ticket." (See exhibit A.) This cutting ticket lists explicitly the order number, the quality and color of fabric, and the quantity of each size garment which is to be made. This is the order which goes to the contractor and is, in effect, his specifications. The contractor obtains from the garment manufacturer the necessary quantity of fabrics and linings which are to be used to fill his order. The woolen fabrics and lining specified on the cutting ticket are charged at a fixed price to the contractor, and he includes the cost of these materials in the price which he quotes the garment manufacturer for making the garment. This is the identical system followed by the volume manufacture of lower-priced garments, except that in-

for making the garment. This is the identical system followed by the volume manufacturer of lower-priced garments, except that instead of making garments sold he makes garments he expects to sell.

Because different sizes of garments in the same style made of the same fabric require different amounts of yardage, garment manufacturers specify on the cutting ticket the exact yardage to be used in each garment according to both the style and size. This very careful record is made of the materials when they are sent by the garment manufacturer to the contractor for the following by the garment manufacturer to the contractor, for the following

(1) To make certain the contractor receives the correct yardage,
(2) To enable the garment manufacturer to make an accurate check of the finished garments when they are returned, to be certain that the order has been correctly filled in all details.

(3) To prevent contractors from substituting cheaper imitations of the fabrics sent them by the garment manufacturer.

(4) To prevent contractors from making and delivering sizes smaller than those which have been ordered. This latter check has been necessary because it has not been an uncommon practice in the past on the part of contractors to deliver sizes 12 and 14 against orders for sizes 16 and 18, thereby using a smaller amount of verders them would otherwise be necessary. of yardage than would otherwise be necessary.

I may say parenthetically that that is stated in the testimony of some of the garment manufacturers who are opposed to labeling. That is one of the principal troubles they have had, one of the reasons for the conciliation agreement. in which 266 members and corporations are associated, and under which they spend the sum of \$280,000 a year in en-

deavoring to patch up their differences.

The testimony also shows that sometimes there will be a faulty place in cloth, or a faulty color, or some other defect, and it will come back, perhaps from a retail store in Wyoming or California, and will finally get to New York, where demand will be made of the manufacturer of the cloth to make good. Evidently, therefore, there is no trouble in telling who manufactures cloth, no matter how far the cloth goes.

I continue the statement:

Where this has been done-

That is, where sizes 12 and 14 have been delivered against orders for sizes 16 and 18-

the contractor has either sold the surplus goods or has made it up into garments in his customer's styles which he has sold on his

own account to retail stores.

Contractors manufacturing garments operate almost entirely on the piece-work system, on a basis rigidly established and mainthe piece-work system, on a basis rigidly established and maintained by the very powerful and effective men's and women's garment manufacturing union. The prevailing system in both the men's and women's wear garment industry is for an operator to make the garment, a finisher to add the final details and inspection, and a presser to steam and press the garment prior to its delivery back to the garment manufacturer. (In certain parts of the country the garments are manufactured in what is known as sections—that is, certain specialists make sleeves, others make the body, and a final operator sews the parts together. This, however, is not the prevailing system, and the details of its operation will be explained later.) explained later.)

When the cutting ticket (exhibit A) for a given number of garments to be made either of the same fabric in the same color, or of different fabrics and different colors in different styles, reaches the contractor, together with the necessary materials, the following is the sequence of operation:

The goods are checked to make certain that necessary materials are all there.
 A work ticket (exhibit B) for each garment which is to be cut is made out according to the information indicated on the cutting ticket. This work ticket thereafter accompanies the garment from the time the different parts are cut and assorted until it is returned to the garment manufacture.

cutting ticket. This work ticket thereafter accompanies the garment from the time the different parts are cut and assorted until it is returned to the garment manufacturer.

(3) This work ticket, it will be observed, comes in four sections, which not only maintains the identity of the garment so far as the quality, kind, color, and style of garment are concerned, but it is also the basis on which the operators concerned in making the garment collect their piece-work pay. Each of the four sections of the ticket is numbered identically. Three of them read, "operator," "finisher," and "presser." These are the three workmen who make the garment. The fourth section is the master section for the records of both the contractor and the garment manufacturer. Its final disposition is when this stub is sewn into the lining of the garment for the information of the garment manufacturer when he receives the finished garment from the contractor. The garment manufacturer's receiving clerk checks this work ticket stub containing the order number, the style, the size, the color, the quality and kind of fabric used, the fur (if any), and all the other details needed to be recorded. Having assured himself that the details of the order have been fulfilled, the receiving clerk of the garment manufacturer rips out this work ticket stub and replaces it with the garment manufacturer's cown hanging ticket, containing information identical or similar to that on the work tickets are made out against the specifications of the cutting ticket they are placed in the hands of an assorter, and the materials to be cut into garments go to the cutter, who lays them out on the cutting table in various thicknesses, according to the weight and thickness of the fabric, and the size of the order. As the end of each plece is laid on the cutting table it is marked across with heavy chalk marks which signify (a) that this is the end of a single piece of goods; and (b) that according to the number or other symbol marked in chalk it is the end of a particu

The assorter with the work tickets picks up from each layer The assorter with the work tickets picks up from each layer the different parts of one complete garment, tying them in a bundle and affixing to each bundle the work ticket with its serial number and other specifications as to the quality and color of fabric and style and size of garment to be made. The assorter watches carefully for the chalk marks in the different layers, signifying the beginning or end of a new piece, because, even in handling goods of the same quality, pattern, and color from the same mill, there is danger that one part of a garment may be taken from one piece and a second part from another piece. This must always be avoided, because, even in the same goods from the same mill, there is always sufficient variation between pieces of the same quality and color to make it impossible to sew them into one garment without this fact being at once apparent when the garment is finished. Errors of this character are occasionally

the garment is finished. Errors of this character are occasionally made, and they are always discovered either by the inspection of the contractor himself or during the later inspection in the receiving room of the garment manufacturer.

The assorter further guards himself against errors by making up a detailed chart (see exhibit C), which in a measure is a replica of the cutting ticket, except that on the right-hand side opposite the listing of the specific quality of fabric to be used in the styles to be made up there is pinned or pasted a sample of the fabric. As each bundle of garment parts is made up and the work ticket affixed the assorter refers to this illustrated guide to be sure that there has been no error.

work ticket affixed the assorter refers to this illustrated guide to be sure that there has been no error.

(5) The bundle parts of the garment next go to the operator, who makes the garment and cuts off that section of his ticket on which his piece-work wage is paid. This ticket goes to the foreman, who credits the operator with one finished garment and sends his stub to the accounting or bookkeeping department.

(6) This same procedure is followed by the finisher and presser, each one of whom detaches his section of the work ticket after he has completed his task.

he has completed his task.

(7) When completed, the garment, with the stub of the work ticket sewed into the garment, is returned to the garment manufacturer.

#### SECTION WORK

There is a slightly different process in what is called section work, although it is basically the same.

In some garment manufacturing centers there is a certain amount of so-called section work on garments, made both for men and women; that is, certain operators make sleeves, others make bodies, and still others may sew the different parts together into a complete garment.

The procedure in the section work factories is practically identical with that in the other factories where the entire garment is made by one operator and is finished and pressed by specialists. The work ticket merely includes more parts designating the operations used in completing a garment. In section work the same care must be observed to avoid making one garment out of same care must be observed to avoid making one garment out of different pieces of goods. To prevent this, as the section worker makes his particular part of the garment he refrains from breaking the thread as each part is finished so that when they go to be assembled the different parts are all attached to one another by threads. Each part bears an identical serial number showing what piece of goods it came from, and they are matched when the parts are put together. At no time is the specific identity of the particular fabric or the particular piece of goods from any mill lost. Should this occur the garment would be worthless because the difference in the texture or the color in various parts of the garment would be immediately discernible. This is true even though the fabrics are of an identical quality, type, and color, and come from the same mills. It is much more true when the same types of fabrics in identical colors come from different mills.

### MILL IDENTIFICATION

Every piece of goods delivered by any mill or jobber to any garment manufacturer or contractor bears a piece-goods ticket which is firmly attached to it by a strong cord, giving the piece number, the quality number or kind, the color number, and the exact yardage. In addition, most mills stamp their names and trade-marks on the back of the goods every yard or so or on the

There was testimony that the selvage is always cut off and lost; and that the identification ticket would be attached to the selvage and then it would be lost.

The selvage is rarely, if ever, cut away, in manufacturing. It is used wherever possible at the seams. The mill identification stamp on the back or on the selvage, however, is merely a collateral and not the chief means of identifying the goods. This identification, which begins with the cutting ticket, is continued on the work ticket and ends with the stub on that work ticket sewed into the lining of every garment of the manufacturer for whom the contractor has made the garment.

IDENTIFICATION OF DIFFERENT FABRICS BEING MADE IN THE SAME STYLE BY THE SAME CONTRACTOR IN ONE CUTTING

Volume garment manufacturers who order one particular style of garment to be made in four or five different fabrics have a same to be made in four or live different fabrics have a very simple and effective method of maintaining the identity of these fabrics. In making out the cutting ticket (see exhibit A) a specific style is always identified by number. For example, a particular style will be numbered, let us say, No. 485. This is a style to be made in the fabrics of woolen manufacturer No. 1. Where a second, third, fourth, or even a fifth fabric of different mills is to be made in the same style, at the same cutting, the basic style number is maintained and the different fabrics are identified by number is maintained and the different fabrics are identified by prefixing to this basic style number the numerals from 1 up; i. e., style No. 485 is made in the fabrics of mill No. 1. The same style cut at the same time from the fabric of another woolen manufacturer will be listed as style No. 1485; style No. 485 made in the fabric from a third mill will be identified as style No. 2485, and so on. These fabric and style identification numbers are transferred from the cutting ticket to the work ticket, and these numbers are on the stub of that work ticket when it is sewn into the completed garment. They are further checked by the garment manufacturer when the garments are delivered to him by the contractor and the fabrics are compared against actual samples to verify the fact that there have been no errors or substitutes in delivery.

Mr. President, I ask to have included at this point as part of my remarks in further explanation of the statement I have read, two sheets, which are marked "Exhibit A" and "Exhibit B," which show in detail how the mill identification is carried right along. Exhibit A contains a cutting ticket, and exhibit B contains work tickets. I also ask to have printed an order sheet marked "Exhibit C." It contains a line of swatches or samples, which, of course, will be excluded

This number must appear on your invoice: No. 246 A

from the RECORD because they are samples of cloth, and the Government Printing Office is not able to reproduce them. I also offer two other exhibits, 1 and 2, and ask that they be printed at this point as part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so

NEW YORK

The matters referred to are as follows:

EXHIBIT A-CUTTING TICKET

As explained on the preceding page, this cutting ticket is for style No. 485 in eight different fabrics, which are identified as to their mill source by numerals placed in front of the basic style number.

Tern	is Delivery	·											- Pho	ne No		
Our No.	Your No.	Color	Quantity	12	14	16	18	20	34	36	38	40	42	44	46	Price
485 1485 2485 3485 4485 5485 6485 7485	Mill No. 1 Mill No. 2 Mill No. 3 Mill No. 4 Mill No. 5 Mill No. 6 Mill No. 6	Blue	60 100 60 100 30 25 30 25	6 10 6 20 6 5 6 5	12 20 12 10 6 5 6 5	12 20 12 20 6 5 6 5	12 20 12 20 6 5 6	12 20 12 20 6 5 6 5				6 10				\$16.50 15.75 16.50 21.50 10.50 9.25 12.75 9.50

Our No.: 485, 180 yards	\$2.5
1485, 300 yards 2485, 180 yards	2.
2485. 180 yards	2.5

YARDAGE

This order is given on the conditions on the reverse side hereof as well as hereon

SUBMIT ONE SAMPLE FOR APPROVAL BEFORE CUTTING LOT

Material	Price	Yards	Price
Price agreed on for this order includes cloth, lining, fur trimmings, and the n	ninimum cost of production agreed by	T	
How many yards of material shall we send you for each garment?			
How many yards of lining shall we send you for each garment?			

Merchandise sent you to be made up for us, while it is ours,

Merchandise sent you to be made up for us, while it is ours, and only sent to you on memorandum as per our invoice, will be deducted from your account against us.

It is a condition precedent to the execution of this order that a sample must be submitted for approval before cutting lot, and sample approved in writing. All merchandise must be manufactured exactly in accordance with the instructions herein contained, and if, upon delivery, found to be unsatisfactory, for any reason whatsoever, in whole or in part, such garments as are unsatisfactory shall be rejected; if any garments on this order are sold by us and rejected by our customers, for any reason, such garments shall be returned to the contractor, who agrees to make payment therefor. payment therefor.

Any advances that shall be made by us to the contractor shall not be construed to be approval and acceptance of any merchan-

dise delivered.

#### EXHIBIT B-WORK TICKET

These work tickets are attached to the assembled parts of individual garments. The style numerals indicate (a) the basic style and (b) the fabric in which the style is made. The stub is sewed into the garment on completion so that the garment manufacturer may check deliveries and be certain that the order has been filled correctly in all details, including the quality and kind of fabric ordered.

Order No. 6730 Style, 485 Order No. 6732 Style, 2485 Size, one 16 Size, one 16 Remarks, mill 1 blue Remarks, mill 3 blue 6730 6732 Presser Style, 2485 Style, 485 Size, 16 Size, 16 6732 6730 Finisher Finisher Style, 2485 Size, 16 6732 Style, 485 Size, 16 6730 Operator Operator Style, 485 Size, 16 Style, 2485 Size, 16 Order No. 6731 Order No. 6733 Style, 3485 Size, one 16 Remarks, mill 4 blue Style, 1485 Size, one 16 Remarks, mill 2 blue 6733 6731 Presser Style, 3485 Size, 16 6733 Style, 1485 Size, 16 6731 Finisher Finisher Style, 3485 Size, 16 6733 Style, 1485 Size, 16 6731 Operator Style, 1485 Size, 16 Operator tyle, 3485 Size, 16

Order No. 6734 Style, 4485 Size, one 16 Remarks, mill 5 blue 6734 Style, 4485 Size, 16 6734 Finisher Style, 4485 Size, 16 6734 Operator Style, 4485 Size, 16 Order No. 6735 Style, 5485 Size, one 16 Remarks, mill 6 blue 6735 Presser Style, 5485 Size, 16 6735 Finisher Style, 5485 Size, 16 6735

Operator

Size, 16

Style, 5485

Order No. 6736 Style, 6485 Size, one 16 Remarks, mill 7 blue 6736 Style, 6485 Size, 16 6736 Finisher Style, 6485 Size, 16 6736 Operator Style, 6485 Size, 16 Order No. 6737 Style, 7485 Size, one 16 Remarks, mill 8 blue 6737 Presser Style, 7485 Size, 16 6737 Finisher Style, 7485 Size, 16 6737 Operator Style, 7485 Size, 16

#### EXHIBIT C Order No 246 Smith Carment Co

Style	Fabric	Quantity	Swatch
485	Mill No. 1	60—6/12-12/14-12/16-12/18-12/20- 6/40.	10 14
1485	Mill No. 2	100—10/12-20/14-20/16-20/18-20/20-10/40.	
2485	Mill No. 3	60—12/12–12/14–12/16–12/18–12/20	
3485	Mill No. 4	100-20/12-10/14-20/16-20/18-20/20	
4485	Mill No. 5		
5485	Mill No. 6		
6485	Mill No. 7		

VARIATIONS IN CUTTING TICKETS AND WORK TICKETS

Exhibits A and B, illustrated in the preceding memorandum, represent the cutting tickets and the work tickets used generally by contractors working for volume lower-priced garment manufacturers.

Contractors working for the better and medium-grade garment manufacturers use basically the same system, but the cutting tickets and the work tickets provide a trifle more information.

Factory lot No. 12790	0						EXI	HBIT 1			Anti-		Date
Cloth	Color	10	12	14	16	18	20	40	Piece num- ber	Cloth yardage	Lining yardage	Furs	
***************************************													
Lengths	-												
AmountCloth \$	1	Lining \$.				Fur \$			Emb. \$			Price	

The cutting ticket of a better-grade garment manufacturer, it will be noted, specifies in succeeding columns the exact cloth to be used, the sizes, the number of the piece from which the fabric is to be cut, the yardage and lining required, and the furs, if any. The final column is reserved for the price which will be paid to the contractor and includes the price charged the contractor by the garment manufacturer for the materials furnished

#### EXHIBIT II

This particular work ticket is for a suit. It is the same as the work ticket shown in exhibit B, except that the stub which is sewn into the garment when it is completed contains explicit information regarding the exact fabric and color used.

	Coat	
Order No. 1141		
Color		
Cloth		
Fur		
Remarks		
	Presser	
Order No. 1141		
	Jacket	
Order No. 1141	Vacator Control of the Control of th	
	Skirt	
Order No. 1141	SKITE	
	THE PROPERTY OF THE PROPERTY O	ORDERS HEAVES

The last possibility of any confusion regarding fabrics used in garments made by contractors would be eliminated by a universal adoption by contractors of this work ticket (exhibit No. II), the stub of which specifies the exact fabric and color used in making

Mr. SCHWARTZ. I have a memorandum which I shall ask to have printed in the RECORD as part of my remarks. I recall that when the question of canned beef was being discussed in the Senate the distinguished senior Senator from Massachusetts [Mr. Walsh] called attention to the fact that the Navy had been making its own cloth for a great number of years, and he suggested tentatively that possibly it might be necessary at some time to make a similar provision in order that the Army might get proper beef. I have here the Navy specifications as to officers' uniforms, uniforms and overcoats for enlisted men, miscellaneous garments, shirts, jumpers, socks, and so forth. They are all made of virgin wool with the exception of socks, which contain a 50-percent cotton mixture.

I also have the specifications of the War Department for the Army, and with the exception of two heavy types of overcoats the garments are all made of virgin wool. The lighter overcoats are made of virgin wool, and the suits are made of virgin wool, as well as the sweaters and the shirts. The drawers are made of a combination of virgin wool and cotton. The gloves are made of virgin wool. Under the item "Gloves" there is added this notation:

The use of reworked wool, card strippings, card fly, or similar waste is prohibited.

And so on down the line. For the two heavy overcoatings, in which alone there may be the use of any reworked wool, the specifications are as follows for the 32-ounce olive draband this comes down from the time when there was an insufficient supply of wool to furnish garments to the American soldiers in the World War:

4. Overcoats (32-inch olive drab): Woolen yarn, composed of 55-percent wool, grade 44s or finer; 10-percent wool, grade 58s or finer; 35-percent reworked wool or noils.

They have the option to use the reworked wool or noils.

5. Overcoats (slate blue, 30-ounce): The wool shall be fleece and/or pulled wool not lower in grade than 56s, United States standard. Not more than 35 percent of the blend may be reworked wool and/or noils of the same grade.

I ask that the memorandum be printed in the RECORD at this point as part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The memorandum is as follows:

MEMORANDUM-WOOL CONTENT SPECIFICATIONS FOR CLOTHING PUR-CHASED FOR THE UNITED STATES ARMY AND NAVY

#### I. ARMY

#### (a) Flying cadets

1. Uniform (serge, slate blue, 11/12-ounce): "The wool for warp and filling shall be shorn from live sheep and be not lower in grade than 64s, free from kemp; shall be sound in staple and of superior character."

2. Overcoats (melton, slate blue, 18-ounce): "The wool shall be fleece and/or pulled wool not lower in grade than 64s, United States standard. The use of noils and/or reworked wools is prohibited."

#### (b) Enlisted men

(b) Enlisted men

1. Uniform coats (serge, olive drab, 18-ounce): "The wool for warp and filling shall be fleece and/or pulled wool not lower in grade than 64s, United States standard."

2. Uniform trousers (elastique, olive drab, 18-ounce): "The wool for warp and filling shall be sound staple fleece and/or pulled wool not lower in grade than 64s, United States standard."

3. Uniform coat and trousers (serge, slate blue, 18-ounce): "The wool for warp and filling shall be fleece and/or pulled wool not lower in grade than 64s, United States standard."

4. Overcoats (32-ounce olive drab): "Woolen yarn, composed of 55-percent wool, grade 44s or finer, 10-percent wool, grade 58s or finer, 35-percent reworked wool or noils."

5. Overcoats (slate blue, 30-ounce): "The wool shall be fleece and/or pulled wool not lower in grade than 56s, United States standard. Not more than 35 percent of the blend may be reworked wool and/or noils of the same grade."

(c) Miscellaneous

# (c) Miscellaneous

Sweaters (worsted, olive drab): "Shall be sound staple fleece, or pulled wool, of not lower grade than 56s, Department of Agricul-ture standards."

2. Shirts (worsted, olive drab): "The wool for warp and filling shall be sound, staple fleece and/or pulled wool not lower in grade than 60s, United States standard."

3. Drawers (cotton-wool, mixed): "The finished fabric shall contain not less than 50-percent wool by weight. The fabric for subtypes 5 and 12 shall be knitted in such a manner that neither the cotton nor the worsted yarns will be thrown wholly to the face or back. The finished fabric for subtype 15 shall contain not less than 36-percent wool by weight."

(Note.—"Attention is invited to the fact that requirements for

texture and wool content for these garments specify the minimum, and manufacturers should take note of the fact that it may be necessary for them to knit the garments to a higher texture than specified, in order that they may finish the garments to these requirements; similarly, as to wool content, it may be found necessary to use more than 50-percent wool in order that the finished garments may be at least 50-percent wool.") 4. Gloves (woolen, olive drab): "The wool used in the manufacture of the gloves shall be found, strong staple fleece, or pulled wool not lower in grade than 56s, current United States Department of Agriculture standards. The use of reworked wool, card strippings, card fly, or similar waste is prohibited."

5. Gloves, nurses (woolen, olive drab): "Sound, staple wool not lower in grade than 56s (three-eighths blood)."

#### II. NAVY (a) Officers

1. Officers' uniforms (blue, dark): "Shall be fleece wool, of a grade not lower than 70s (United States standard); staple shall be of sufficient length to meet the hereinafter-described requirements, and shall be free from the admixture of vegetable matter, reworked wools, waste, or any other adulterants."

# (b) Enlisted men

(b) Enlisted men

1. Uniforms (Melton, dark blue, 16-ounce): "Shall be fleece wool, of a grade not lower than 64s (United States standard); staple shall be of sufficient length to meet the hereinafter-described requirements, and shall be free from the admixture of vegetable matter, reworked wools, waste, or any other adulterants."

2. Overcoats (kersey, dark blue, 30-ounce): "Shall be fleece wool, of a grade not lower than 60s (United States standard); staple shall be of sufficient length to meet the hereinafter-described requirements, and shall be free from the admixture of vegetable matter, reworked wools, waste, or any other adulterants."

#### (c) Miscellaneous

1. Shirts and jumpers (dark-blue flannel): "Shall be wool, fleece, pulled or scoured, of a grade not lower than 58s (United States standard); staple shall be of sufficient length to meet the hereinafter-described requirements and shall be free from the admixture of vegetable matter, reworked wools, waste, or any other adulterants."

Jerseys: "Shall be not lower than 56s (United States stand-

2. Jerseys: "Shall be not lower than 56s (United States standard); combing wool, free from the admixture of vegetable matter, reworked wools, waste, or any other adulterants. The yarn shall be two-ply worsted. No pulled wool shall be used."

3. Socks (wool and wool-cotton mixture): "The blend shall be composed of wool, not lower in grade than 64s (United States standard) of sound, strong fiber and cotton. The blend shall be so proportioned that the finished socks, exclusive of the heel and toe, shall analyze not less than 50-percent wool."

(Note.—"Attention is invited to the fact that the requirements for texture and wool content for the finished socks are minimum. Therefore, manufacturers should take note of the fact that it may be necessary for them to knit the socks to a higher texture, and

Therefore, manufacturers should take note of the fact that it may be necessary for them to knit the socks to a higher texture, and to use more than the specified wool content in order that the finished socks will meet the minimum requirements.")

4. Undershirts (cotton-wool, mixed): "The finished fabric shall contain not less than 50-percent wool by weight. The fabric for subtypes 5 and 12 shall be knitted in such a manner that neither the cotton nor the worsted yarns will be thrown wholly to the face or back. The finished fabric for subtype 15 shall contain not less than 36-percent wool by weight."

less than 36-percent wool by weight."

(Nore.—"Attention is invited to the fact that requirements for texture and wool content for these garments specify the minimum, and manufacturers should take note of the fact that it may be necessary for them to knit the garments to a higher texture than specified, in order that they may finish the garments to these requirements; similarly, as to wool content, it may be found necessary to use more than 50-percent wool in order that the finished garments may be at least 50-percent wool.")

Mr. BARBOUR. Mr. President, the Schwartz bill requiring woolen manufacturers to disclose to consumers, by means of labels, the fiber content of their products, already has the active support of consumer, farm, trade, and labor organizations with a combined membership of more than 12,000,000 persons. In contrast to this, the opponents are comparatively limited in number.

The supporting organizations include, among others:

General Federation of Women's Clubs.

New York City Federation of Women's Clubs.

Chicago and Cook County Federation of Women's Organizations.

American Farm Bureau Federation.

National Grange.

National Farmers' Union.

National Cooperative Council.

National Wool Growers Association.

Texas Sheep and Goat Raisers Association.

United States Live Stock Association.

American Federation of Labor. Women's Auxiliary, National Federation of Postoffice

United Textile Workers of America.

The vital importance of informative labeling legislation for consumers is emphasized in a bulletin entitled "Informative Labeling," issued in June 1938, by the Consumer-Retailer Relations Council organized under the auspices of the National Retail Dry Goods Association. This council includes in its membership the American Association of University Women, the General Federation of Women's Clubs, the National Retail Dry Goods Association, the National Association of Better Business Bureaus, Inc., and the National Better Business Bureau, Inc.

Among the representatives of national and regional groups of women's clubs who appeared in support of the Schwartz bill, was Miss Julia K. Jaffray, representing the New York City Federation of Women's Clubs. Miss Jaffray declared that a substantial number of the members of the National Association of Wool Manufacturers recognized the desirability of the proper labeling of wool products with a differentiation between virgin wool and reclaimed wool.

Representatives of labor, including the American Federation of Labor, through the union label trade department, and of the United Textile Workers, also urged the passage of the Schwartz bill. In a statement to the House committee considering the Martin bill, I. M. Ornburn, secretary-treasurer of the union label trades department of the American Federation of Labor, declared that:

The union label trades department represents 51 directly affiliated international unions which have a membership of over 1,000,000, including the Sheep Shearers' Union, which is directly interested. Our department has the loyal support of the 4,500,000 members of the American Federation of Labor. In addition, I represent 2,000,000 members of women's auxiliaries in the American Federation of Labor, and I speak for them as consumers. as consumers.

We are particularly concerned that wool garments be so labeled We are particularly concerned that wool garments be so labeled that the consumer may know within reasonable limitations how much actual virgin wool was used in the manufacture of the cloth of the garment. If substitutes for virgin wool are used—reclaimed wool or rayon or cotton or other fibers—the consumer is entitled to know of their use. \* \* We see no justice in \* \* \* delaying passage by Congress of any legislation necessary to strengthen the hand of the Federal Trade Commission in protecting the public from unfair trade practices.

Woolen manufacturers also strongly urged the passage of the Schwartz bill for the protection of the consuming public and for their own protection against manufacturers of adulterated products. They stated that reclaimed wool is an inferior substitute for virgin wool, and results in an inferior product. Some 75 of the most important and representative manufacturers of women's garments, in letters filed with both the Senate and the House committees, declared that this legislation is not only necessary for the proper information of the public, but is essential for their own protection against widespread unfair competition.

The Forstmann Woolen Co., which is located in New Jersey, through its representatives also urged the passage of the Schwartz bill, stating in briefs filed with the Senate and House committees, as follows:

It is a matter of common knowledge in the wool industry that for years the undisclosed use of reclaimed wool in wool products for years the undisclosed use of reclaimed wool in wool products has been increasing steadily, and that this increase has been greatly accelerated whenever prices for virgin wool have shown an upward tendency. During this same time the undisclosed use of fibers other than wool has also increased tremendously. The net result has been that the wool-manufacturing industry, the only customer of the great American wool-growing industry, today uses more than 50 percent of fibers other than virgin wool in products which it sells to the public as "wool" or "pure wool."

A law which will assure the public necessary information regarding the fiber content of wool and part-wool products must establish as a fundamental a clear differentiation between virgin wool fibers and reclaimed wool fibers. Consumer organizations

establish as a fundamental a clear differentiation between virgin wool fibers and reclaimed wool fibers. Consumer organizations argue quite correctly that from the standpoint of family economy it is particularly important that wool products be reliable in character, providing adequate protection against climatic conditions, and giving long and satisfactory wear and service.

The wool manufacturer—and not the intermediate jobber, wholesaler, or retail merchant—is responsible for the wear, service, and protection which his products give to millions of consumers, to whom their purchase represents an important part of the family budget. It is the manufacturer, and the manufacturer only, who knows from his records the kind and quality of wool fibers or other fibers which he has utilized in his products. Therefore, he, and he alone, should provide this information in a complete form through all channels of trade up to and including the consumer, and he should be held strictly accountable for any false or deceptive claims which he makes, either by inference or direct statement in the sale of his products.

I want to point out here, Mr. President, that this comes from a very large wool manufacturer, who makes absolutely clear that the manufacturer should have this responsibility. He, as a manufacturer, wants to have it. I stress this point because it has been urged, and probably will continue to be urged, that a manufacturer can only with great difficulty protect the public after the product has left his woolen mill. This very responsible manufacturer says that it can be done and should be done. The Senator who is in charge of this bill has described how it may be done, how it may be done positively and actually. This is simply another instance, obviously, of a reputable manufacturer who is seeking to protect the public saying he can do it, and that other manufacturers can do it and should do it.

Following the unanimously favorable report of the House committee on the Martin bill, on June 16, 1938, Mr. Lea, chairman of the committee, issued a statement to the press declaring that the testimony revealed a situation demanding remedial action by Congress to protect the consumer, the American wool grower's market and legitimate woolen manu-

facturers.

Mr. AUSTIN. Mr. President, will the Senator from New Jersey yield for a question?

Mr. BARBOUR. I am very glad to yield to my dear friend, the Senator from Vermont.

Mr. AUSTIN. Has the Senator based his argument princi-

pally upon the Martin bill?

Mr. BARBOUR. My answer is "No." But I would have to qualify the answer by saying that I want to know just what the Senator means by "principally." I know there is a difference between the Martin bill and the Schwartz bill; but in fairness to the Senator, I must say that in a certain measure or degree what I say is based on the Martin bill.

Mr. AUSTIN. I thank the Senator.

Mr. BARBOUR. The principles embodied in the pending Schwartz bill have been upheld repeatedly in the United States Supreme Court. The Supreme Court has declared that a manufacturer or vendor "has no constitutional right to sell goods without giving the purchaser fair information as to what is being sold," and has stated further that "the rule of caveat emptor should not be relied upon to reward fraud and deception." The standards of business conduct to be observed by manufacturers and vendors in the marketing of products are set forth in the following excerpts of recent decisions:

\* \* And it is too plain for argument that a manufacturer or vendor has no constitutional right to sell goods without giving to the purchaser fair information of what it is that is being sold. The right of a manufacturer to maintain secrecy as to his compounds and processes must be held subject to the right of the State, in the exercise of its police power and in promotion of fair dealing, to require that the nature of the product be fairly set forth.

The chief objections to informative labeling legislation for the wool industry have always come from the National Association of Wool Manufacturers. For more than a quarter of a century the association opposed all legislation which would give the consumer any information at all regarding the fibers used by its members in the manufacture of their products. The failure of these measures was noted by the association in its annual reports as an accomplishment on behalf of the industry. Under the pressure of public demand the association has modified its attitude within the past 2 years. It has now agreed to disclose the use of substitute fibers other than wool but opposes disclosure of the use of reclaimed wool as a substitute for virgin wool.

At the present time, and for the past several years, the spokesman for the association has been Arthur Besse, its president. In the short time elapsing since June 1937, Mr. Besse has made various appearances before congressional committees and the Federal Trade Commission and has issued numerous statements defining the attitude of the association toward informative fiber identification legislation for the wool industry.

In the light of the position taken by the organizations to which I have referred, the great labor groups and many other groups who favor this proposed legislation, in the light of the able and detailed speech in behalf of the bill by the Senator from Wyoming [Mr. Schwartz], whose name the

bill bears, I will not delay the Senate longer, unless anyone wants to ask me any questions. So I conclude, Mr. President, by simply saying that I believe that all the foregoing requires no further comment than the assertion that obviously it provides conclusive proof of the necessity of the passage of the Schwartz bill in the protection of the public.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. BARBOUR. I am glad to yield to the Senator from Pennsylvania.

Mr. DAVIS. I have received a letter from Mr. Millard Brown, president of the Continental Mills, Inc., manufacturers of textiles, Armat and Lena Streets, Philadelphia, Pa. I wrote to him sometime ago about the bill and asked him to give me some suggestions so that we might be able to perfect the bill. I quote from his letter as follows:

Let me say to you that this bill cannot be perfected. It is an attempt to benefit one class of the people of the United States at the expense of another section of the people in the United States by men who are absolutely ignorant of what they are attempting to do. The result of this bill will be loss and chaos to the wool grower, on the one hand, and loss and chaos for the employers and employees of the wool textile industry on the other hand, nobody benefiting by it.

Is the Senator sufficiently familiar with the industry to give me his opinion as to the value of that statement?

Mr. BARBOUR. I will say to the Senator from Pennsylvania that I cannot believe all the organizations which I enumerated in the beginning of my remarks can be wrong in any such great degree as that, or could so misstate the fact. I admit to the Senator that there are manufacturers who are very much against this proposed legislation—manufacturers who use shoddy or other substitutes for wool. On the other hand, there are many other manufacturers, of my own knowledge, who use only pure wool, who feel that the passage of the bill would be a great benefit to the trade, not only to their business but to the trade as a whole.

The same argument I think might possibly be used in connection, say, for an example, with milk. In other words, if there is required a standard of purity for milk, which I mention just by way of illustration, it does have a tendency to monopolize that product or commodity in the sense that others who may be adulterating milk cannot longer sell it as pure milk. Some of the largest wool manufacturers, one of them, anyway, in my State, advocate this bill. They say as manufacturers that they can label their goods and see that the wool is traced straight through by a system of ticketing, so that in the final disposition of the article by retail in the sale of a suit of clothes it will carry a label which will guarantee what the cloth really is. The suit in that instance will be made of real, pure wool and so marked.

I, myself, never was in the woolen business, but I was in the manufacturing business for 25 years, and my father and grandfather and great-grandfather before me were in the same business. I mention this only because it indicates that I, myself, and my forebears, have had, may I say, some manufacturing experience. We knew that in the production of our product there could be, if we would stoop to such a practice, the addition of other inferior fibers. Ours is a long-length product, such as yarn, thread, and twine, and we were always glad to show—and we did and do show—on the label that it was pure flax if it was pure flax. The label in that case has always been a guaranty of quality. I, myself, cannot believe that the mere labeling, I would say to the Senator from Pennsylvania, would ruin the trade, unless that trade were improperly labeling their product.

I do not impugn the sincerity of the statement that has been made to the Senator by the manufacturers in his State, but I can show the Senator letters equally strong from other manufacturers, saying that this bill, when it passes, will greatly help increase the production of wool in the United States, will help the wool grower in the United States, and will help the laborer in the factories. I cannot answer technically the Senator's question, but I think I have answered it truthfully.

Mr. DAVIS. Mr. Brown is a very prominent manufacturer of textiles in Pennsylvania; he is president of the Continental Mills; and he informs me that, probably, if we would

introduce a bill similar to the British merchandise marks act and substitute it for Senate bill 162, it would be far better for all concerned.

Mr. BARBOUR. I cannot say as to that, but I should like to have the Senator, if he would be so good, inquire and ascertain whether or not Mr. Brown's concern is not a user of shoddy which it is selling today as wool, or even pure wool. Certainly, the passage of the bill would embarrass any such situation as that, because the producer would have to label his product properly hereafter. I do not say Mr. Brown's factory is doing that, or is doing anything wrong. I do not suggest any such thing; but this proposed legislation does not mean that anyone cannot produce cloth out of anything he wants to. It would not stop a man using reclaimed wool or reworked wool, rayon, cotton, or anything else. It simply says when he does that the cloth so manufactured has to carry that information on its label. It cannot be called something else.

Of course, if a man has been—and I do not charge, as I have said, that this gentleman has been—as I said in my speech, perhaps before the Senator came into the Chamber—if he has been purporting to produce a wool product, and even in some cases has designated it as even pure wool, and it has not been wool or pure wool, this bill, if enacted, would create some chaos in his business until he changed his method of labeling.

Mr. DAVIS. Can the Senator tell me what effect the passage of the bill would have in our own market upon importations that may have shoddy in them? Probably British importations of cloth would have to be labeled, would they not?

Mr. BARBOUR. I do not know just exactly, in all its details, what the situation is in relation to labeling imported articles. Certainly, they should be labeled; and I think—though I am not sure of all the details, as I have said—that they do have to be labeled properly.

Mr. SCHWARTZ. Mr. President, will the Senator yield? Mr. BARBOUR. I am very glad to yield to the Senator.

Mr. SCHWARTZ. I think I can explain that matter. The bill provides that articles imported from abroad, when they come in, must be labeled according to the provisions of this bill; and that information must appear upon the manifests which are required under other sections of the general law, the tariff laws. Under the bill those provisions will be enforced by the Treasury Department, and not by the Federal Trade Commission, until after the products get into this country.

Mr. DAVIS. Mr. President, in a letter which I received from this very prominent manufacturer in our State he says:

To comply with this act would be extremely uneconomic and would severely handicap the wool textile industry in the fight which is facing it against the importation of British fabrics.

Mr. SCHWARTZ. As a matter of fact, it would protect us against the importation of British fabrics, because there is a delusion abroad in the United States that if one wishes to get a nice piece of cloth he has to get it from Great Britain. As a matter of fact, most and nearly all of the product that comes in is not a high grade of virgin wool but is largely a reworked wool. It is foreign rags worked up into reworked wool. Under the provisions of the bill, there will have to be a labeling to show the contents of the goods, and the importer will have to stand behind the goods, and the investigations and administration of the law will be carried on by the Secretary of the Treasury and the customs officers. So, as a matter of fact, on that particular point the enactment of the bill will be a great service to American manufacturers.

Mr. DAVIS. The Senator is familiar with all the testimony that was presented. I wonder if there was presented to him a chart such as I have here. If the Senator will examine the chart, he will find that at the top of the chart is 100-percent virgin-wool fabric, which is the best fabric of wool, having a fabric merit of 90 percent; and going down on the chart the Senator will find that there are four other fabrics of 100-percent virgin wool which have fabric merit ratings of 76 percent, 61 percent, 58 percent, and 57 percent, respectively.

Mr. SCHWARTZ. Yes; the chart was based on some kind of theoretical merit ratio. We do not know where the cloth comes from. We do not know who selected it. We do not know what its relative weight of wool is. We do not know whether one was a closely woven piece of cloth and whether another was loosely woven. From my study of it, I do not think the chart amounts to anything except as an additional boost to those who are opposed to any kind of labeling.

Mr. BARBOUR. Let me interject here that the subject of so-called merit—the broad, clusive subject of the embracing term of merit—is not the point we are discussing. It is not the point of this legislation. We are discussing wool content—virgin wool content as against reworked wool and substitutes for wool, and the necessity hereafter of truthfully labeling materials so as to show the actual product or substance of which they are made.

Mr. DAVIS. Mr. President, can the able Senator from Wyoming tell me the difference between the British bill and the bill of which the Senator is the author?

Mr. SCHWARTZ. The British bill, as I understand, provides that if a manufacturer labels, he must tell the truth; but he does not have to label if he does not want to. Is not that correct?

Mr. AUSTIN. That is what I understand the situation to be

Will the Senator answer this question: Does the Senator understand that the British law has been eminently successful?

Mr. SCHWARTZ. I do not know whether or not it has been eminently successful.

Mr. AUSTIN. Does the Senator know that the record shows that that kind of a law can be and is enforced?

Mr. SCHWARTZ. Oh, yes; surely; and this kind of a law can be enforced.

Mr. AUSTIN. Yes; too much.

Mr. SCHWARTZ. It will not be enforced too much to suit some people.

Mr. AUSTIN obtained the floor.

Mr. MALONEY. Mr. President, will the Senator yield? Mr. AUSTIN. I yield to the Senator from Connecticut.

## WAGES OF RELIEF WORKERS

Mr. MALONEY. Mr. President, I am grateful to the Senator from Vermont for yielding to me.

I desire to again respectfully warn Senators concerning a situation which will arise on September 1 in the Work Projects Administration unless Members of Congress are able to prevail upon the Administrator to set aside what seems to be a decision to cut the wages of relief workers on W. P. A. projects in the North and in the West.

I called this matter to the attention of the Senate on one occasion during the past week, and now I note in the Hartford Times of July 18, in an article by Bruce Catton, in which he is referring to the Works Progress Administration, the following:

Nor will it have any discretion on September 1, when two far more drastic provisions go into effect—the 30-day payless "holiday" for all reliefers who have been on the W. P. A. rolls for 18 months or more—

I should like to say, parenthetically, that I opposed that provision when the bill was under consideration, and I am opposed to it now—

and the proviso that wage differentials between northern and southern sections be abolished, which will mean wage cuts for somewhat more than a million W. P. A. workers.

Mr. President, I should not be much excited about this matter if the threatened wage cut were not going to affect the man who is a certified relief worker, and who, in my section of the country and in all of the North, and I understand in most of the West, is receiving in the neighborhood of \$60 or less per month—\$60 per month to support a family!

Mr. O'MAHONEY. Mr. President, will the Senator yield? Mr. MALONEY. I yield.

Mr. O'MAHONEY. It may be interesting to remark at this point that in many instances the compensation received by relief workers is substantially less than \$60 per month.

In region No. 1, from which the Senator comes, the range is from \$40 per month to \$94.

In region No. 2 the range is from \$32 to \$79. In region No. 3 the range is from \$26 to \$79.

So a false impression is given if one speaks of an average of \$60 per month. It is my understanding that there is no such widespread average. The fact of the matter is that hundreds of thousands of relief workers are receiving the minimum, which varies from \$26 in the South to \$40 in the North and in the West.

I am very glad indeed that the Senator is expressing his opposition to the attitude which apparently is being adopted by the W. P. A. in supporting the amendment which originated in the House, which fixes the 130-hour-per-month schedule.

Mr. MALONEY. I am grateful to the Senator. When I spoke of \$60 per month, I was referring to what seemed to be the maximum wage of the relief worker.

I offer no criticism of Colonel Harrington. I think Colonel Harrington shares the view I hold, and that he himself is distressed because he seems to feel it necessary to put into effect this wage cut. I have pointed out to Colonel Harrington, as I reminded the Senate a few days ago, that I think the law provides a sufficient leeway to allow him to maintain the existing wages in the North and in the West. The word "substantially" is used in the law, and I think he might properly keep wages at their present level in the North by a liberal interpretation of the word "substantially."

Further in the law-and I specifically quoted the law in the Senate a few days ago-provision is made concerning the cost of living in the various parts of the country. I know it is difficult to determine accurately what the cost of living is; but I know that in all the United States there is no place where the cost of living is higher than it is in the section of the country from which I come.

To show that Colonel Harrington is sympathetic, I should like to read briefly from his testimony in the House hearings, in which Representative Cannon of Missouri asked him this

You think you are operating this program as economically as it

can possibly be operated to meet the actual needs?

Colonel Harrington. The only big economy I can see in operating the program is to cut the wages.

the program is to cut the wages.

Mr. Cannon. What effect would that have on the standard of living of those being paid out of these funds?

Colonel Harrington. The reports I get state that the standard of living under W. P. A. is low. We know that in many areas the people whose income is from W. P. A. employment are not getting enough to eat. I do not mean to say that they are starving. I do not want to exaggerate it, but they are on a subnormal diet at the present time.

Mr. Cannon. The wages they get are below what is necessary.

Mr. Cannon. The wages they get are below what is necessary

to provide actual food needs?
Colonel Harrington. I believe that is true; yes, sir.

Mr. President, if that is true, and if that is the opinion of the head of the Work Projects Administration-and it is-I say it is the responsibility of Members of Congress, and particularly Members of the Senate, to express their opinion during the next few days. In my opinion it is possible that we shall be gone from here in 10 days; and, in my opinion, unless the Members of Congress emphasize to Colonel Harrington how they feel about the language of the law, and point out to him what they feel was the intent of the law, there is a continuing danger, as the daily press constantly points out, that these wage cuts will become effective.

I shall delay the Senate only a moment more, to point out something which has come to me from the press of my State. I was very sorry to read in the Hartford Times of July 18 that "At least 5,000 W. P. A. workers will be permanently dropped from Connecticut projects under terms of the Federal Emergency Relief Act, it was learned today," and from the New Haven Register of the same date I learn that the Work Projects Administrator for my State has just returned from a conference at Chicago, a conference called by Administrator Colonel Harrington-at which W. P. A. administrators of the various States were in attendance. Immediately upon the return of the administrator to my State he called a meeting of the sponsors in Connecticut, and the New Haven Register has this to say about it:

Mr. Sullivan listed five major points upon which special emphasis must be placed immediately. They are: Immediate separation of all project workers who have had continuous employment on such projects for 18 months or more, excepting war

I should like to say again that I am very hopeful that Congress will make an effort to correct the very serious mistake it made. I pointed out at the time the bill was under consideration that it was a mistake, that it was wasteful and extravagant, and that it was going to have a cruel effect upon men who had been denied a chance to save money because of their meager wages.

I should like to continue this brief article-and this is one of the five major points to which I wish to call special

A continuous review of certification of all project employees of W. P. A.; readjustment of the security wage, which will lower wage rates in this area.

It seems to me, Mr. President, that, as a result of the conference in Chicago, there is a possibility that the administrators were instructed to cut the wages at this time: so I make a special and final plea to the Senate, and more particularly to those Members of the Senate who represent northern and western States, that unless they do something about this matter, unless they make their opinions known-and in this instance I call as a witness Colonel Harrington-there will be serious suffering after September 1.

Mr. President, I have concluded, and I wish to express my special thanks to the Senator from Vermont in permitting me these few moments of his time.

Mr. O'MAHONEY. Mr. President-

The PRESIDING OFFICER (Mr. Thomas of Oklahoma in the chair). Does the Senator from Vermont yield to the Senator from Wyoming?

Mr. AUSTIN. I yield.

## MONTHLY WAGE SCHEDULE IN DANGER

Mr. O'MAHONEY. I merely want to add a word to what has been so well said by the Senator from Connecticut.

I think the attention of the Members of the Senate and of the House, and that of the public, should be drawn to the fact that there are two questions involved in this matter of W. P. A. wages. The first of these has to do with the so-called prevailing rate of wages. The second has to do with the rearrangement of the monthly security wage schedule which apparently is now in progress. The two are absolutely independent of each other and should not be confused with one another. If there has been any dissatisfaction in the land as a result of the abandonment of the prevailing-wage provision which has been in all the relief bills up to date, it will not be a patch upon the dissatisfaction which will become apparent when on the 1st of September relief workers in the West and in the North come to a realization that the present miserable monthly schedule of security wages now being paid has been reduced and that a provision of law which was intended to abolish differentials is being used to cut monthly wages.

Mr. President, I desire to call attention to the fact that these questions arise by reason of the provisions of section 15 (a) of the act which was approved by the President on the 30th of June last. The first sentence of that section reads as follows:

The Commissioner shall fix a monthly earning schedule for persons engaged upon work projects financed in whole or in part from funds appropriated by section 1—

Then come these words:

which shall not substantially affect the current national average labor cost per person of the Work Projects Administration.

The phrase "which shall not substantially affect the current national average labor cost per person" was understood by members of the Committee on Appropriations and by Members of the Senate to mean that the average monthly payments should not be substantially reduced. Instead of

being interpreted in that manner, it apparently is now being interpreted as a direction to the Work Projects Administration to reduce the security wage paid in the West and in the North in order to raise the security wage which is paid in the South.

#### LAW IS BEING MISINTERPRETED

If this language should be interpreted to mean that the monthly wage schedule shall be dependent upon the number of relief workers, then obviously it will be necessary to change the schedule of payments almost every month in accordance with the number of persons on relief, because otherwise there will be no possibility of fixing the average, under the interpretation which is being placed upon the law by the Work Projects Administration. This, however, is not the necessary meaning of the language. It could not be the meaning. The language was inserted in the House, when the prevailing-wage formula was abandoned and was clearly intended to prevent a lowering of the monthly payments as a result of the reduction of the hourly rate. The purpose of the provision was to prevent exactly what is now threatened. Congress wanted to be sure that the present monthly schedule should not be substantially reduced. It is my firm opinion that the Administrator of W. P. A. can, without any question, interpret the law as the Senator from Connecticut has so well stated it should be interpreted.

Following the sentence of section 17, which I just read, is this sentence:

After August 31, 1939, such monthly earning schedule shall not be varied for workers of the same type in different geographical areas to any greater extent than may be justified by differences in the cost of living.

Obviously the intention of that was to provide that all differentials except those based upon the cost of living should be abandoned. It is admittedly understood that the cost of living in the South is less than the cost of living in the North and in the West, and for the Work Projects Administration to say that, in order to evade this injunction with respect to a differential based solely on the cost of living, wages should be reduced in the high-cost living areas in order to bring up the wages in the low-cost living areas is, to my mind, perfectly absurd.

#### ORIGINATED IN HOUSE OF REPRESENTATIVES

Mr. President, I wish to make it perfectly clear that, with the exception of the second sentence, section 15 of the relief bill originated in the House of Representatives. The last sentence of this section, which was also written in the House, reads as follows:

The Commissioner shall require that the hours of work for all The Commissioner shall require that the hours of work for all persons engaged upon work projects financed in whole or in part by funds appropriated by section 1 shall (1) be 130 hours per month except that the Commissioner, in his discretion, may require a lesser number of hours of work per month in the case of relief workers with no dependents and the earnings of such workers shall be correspondingly reduced, and (2) not exceed 8 hours in any day and shall not exceed 40 hours in any week.

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Because this provision was unsatisfactory, when the bill came to the Senate, this body adopted an amendment presented by the Senator from Nevada [Mr. McCarran], the purpose of which was to retain the prevailing-wage provision, abolish the 130-hour schedule written into the bill in the House, and make certain that differentials based on population were abandoned. This amendment was substituted for the House language by a viva voce vote. The House conferees refused to yield, and because the bill had to be signed before midnight on June 30 the Senate gave way.

Mr. President, in order that the interpretation which I have placed on the language may be perfectly clear, I ask unanimous consent that there be printed in the RECORD at this point the colloquy which took place upon the floor of the Senate on June 27, 1939, when an amendment offered by the junior Senator from Georgia [Mr. Russell] was under consideration. This was the amendment which provided for the cost-of-living rule. In the colloquy will be

found the statement of the Senator from Georgia that the amendment, if adopted, would not result and need not result in any reduction of the monthly schedule of wages paid in the West and North where the cost of living is high.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.
Mr. O'Mahoney. In the preparation of the amendment, did the Senator have in mind the fact that, under the present method of administering W. P. A. wages, the country is divided into three so-called wage regions, and that the basic schedule is different in

each of the regions?

Mr. Russell. I am not as much impressed by that difference as I am by the differences which obtain within the several States. Of course, I desire to eliminate that injustice. The argument has previously been made that there are great differences in the wages paid in the several sections of the country. The argument has heretofore been made that on a deficiency bill we should not disturb the situation during the course of the year. This time we are preparing to legislate for all of the year 1940, and this provision is designed to eliminate the glaring discrepancies which have types of work in the compensation of those doing the several types of work in the various geographical areas referred to by the Senator from Wyoming, as well as the differences in wages paid within the several States.

within the several States.

Mr. O'Mahoney. My reason for alluding to the matter is to secure the benefit of the Senator's judgment as to what the eventual effect of his amendment would be if it were enacted. According to some information I have now received from the Works Progress Administration, the monthly range of earnings in region No. 1 is from \$40 to \$94, depending upon the type of work which is done. In region No. 2 the range is from \$32 to \$79, or \$8 lower on the minimum wage. In region No. 3 the range is from \$26 to \$79. Region No. 3 comprises the States of Virginia, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Mississippi, Florida, Louisiana, Arkansas, and a part of Texas. Is it the Senator's judgment that the effect of his amendment would be to require the reduction of the wage schedules in regions 1 and 2 to that of region 3?

Mr. Russell. I hope that will not be the effect. It is my hope that the wages of the lower-salaried group will be raised. Of course, if the cost-of-living yardstick were applied, there might be some reduction in wages in region 3. As I recall, whenever wage-and-hour bills have been before us, there has been violent objection to any differentials being allowed in wages in private industries between the several sections of the country, and it has been urged that there are great differences in living costs. If that view should be sustained when the Works Progress Administration goes into the question, wages in region 3 might be reduced; but I believe my amendment would tend to equalize the compensation between the several sections of the country for American citizens

doing the same type of work.

Mr. O'MAHONEY. Of course, the great discrepancy is that to which the Senator referred a moment ago, within the same State, and within the same region.

and within the same region.

Mr. Russell. Undoubtedly.

Mr. O'Mahoney. Would the Senator seriously object to an amendment by which, after the word "areas," in line 17, page 19, the words "in the same wage region" would be inserted? That amendment would eliminate all possibility of pulling the wages down. I am informed that these three wage regions have been established upon the basis of the living costs. The Senator's amendment is based upon living costs. Therefore, it would seem to me to be an improvement if the words "in the same wage region" were inserted after the word "areas" in line 17. It would eliminate all danger.

Mr. Russell. I could not agree to that amendment. The effect of the suggested amendment would be to have the Administrator

of the suggested amendment would be to have the Administrator empowered to fix a wage scale in one region without regard to the cost of living, so long as he equalized it within the several States in the region. I think the wage scale should be equalized on a national basis, on the basis of the cost of living, because that is one of the standards said to have been used in fixing these scales. Mr. Hughes. Mr. President, will the Senator yield?

Mr. Russell. I yield.

Mr. HUGHES. What is a wage region?

Mr. O'MAHONEY. It is not my definition. I am accepting the fact which has been established by the W. P. A. in dividing the United States into three different wage regions. This division is based upon the experience and studies of the W. P. A. with respect to the cost of living and the rate of wages in these areas.

A moment ago I recited the names of the States which are in region No. 3. In region No. 2 are the States of Delaware, Maryland, West Virginia, Kentucky, Missouri, Kansas, and a part of Texas. All the other States which I have not mentioned are in region No. 1, which is the region having the highest scale.

Mr. Hughes. We are in very good company.

Mr. George. Mr. President, will the Senator be good enough to state again the rates established by the W. P. A. in regions Nos. 1, 2, and 3?

Mr. O'Mahoney. I shall certainly be very glad to do so. In region No. 1 the range of monthly earnings is from \$40 to \$94. In region No. 2 it is from \$32 to \$79.

In region No. 3 it is from \$26 to \$79.

Mr. Russell. No; the Senator has the last figure wrong in region No. 2. The last figures are not the same for region No. 2 and

region No. 3.
Mr. O'MAHONEY. Let me repeat the figures:

Region No. 1, \$40 to \$94. Region No. 2, \$32 to \$79. Region No. 3, \$26 to \$79.

The maximum is the same in regions 2 and 3, but the minimum varies

Mr. Bone. Mr. President, will the Senator from Georgia yield?

Mr. Russell. I yield. Mr. Bone. In view of the fact that section 15 of the joint resolu-Mr. Bone. In view of the fact that section 15 of the joint resolution apparently is the only provision in the joint resolution which attempts to fix the amount of compensation or earnings a person on relief may receive, and this is left wholly to the discretion of the Commissioner, so that at this time we have no means of knowing what he would pay under this very wide grant of discretion, can the Senator from Georgia give me any indication of how many persons can be employed under the proposed appropriation of \$1.477,000,000; or is it possible to approximate it, in view of the wide discretion we are giving the Commissioner in fixing compensation for those on relief?

\$1.477,000,000; or is it possible to approximate it, in view of the wide discretion we are giving the Commissioner in fixing compensation for those on relief?

Mr. Russell. Mr. President, I cannot answer that question without knowing something of the wage schedules which will be fixed by the Commissioner. The chairman of the subcommittee, in charge of the bill, may be able to answer the Senator's question, but I doubt whether any member of the committee can answer it.

Mr. Bone. I will ask the Senator from Colorado if he can give us any information at all concerning the number of persons who may earn money under this joint resolution. Section 15 is so broad a grant of discretionary power in the Commissioner to fix compensation that it seems to me there is not any possibility of determining the number of persons who may secure employment. It may be a million, or three-quarters of a million, or a million and a quarter. He may fix wages anywhere from zero to \$150 a month. There is no rule set up in this language indicating a limit.

Mr. Adams. Oh, yes, Mr. President. Let me suggest to the Senator that his right to fix compensation is limited by the provision that it "shall not substantially affect the current national average labor cost per person"? That is not a yardstick for wages.

Mr. Bone. Well, what does that mean—"the national average labor cost per person"? That is not a yardstick for wages.

Mr. Bone. There is nothing in this language to tie it to or identify it with any standard we have legislatively adopted. Congress has never set up a yardstick in the form of any legislative language. I am not criticizing this provision, the Senator will understand; I am merely pointing out the situation.

Mr. Bone. Well, we ought to know what this language means. We have nothing to guide us.

Mr. Adams. We did not put it in.

Mr. Adams. We did not put it in.

Mr. Bone. Well, we ought to know what this language is here. It embodies the recommendations of the President and of Colonel Harrington and of the House. It is t

Harrington and of the House. It is the administrative desire as to

compensation.

Mr. Bone. The language is, "shall not substantially affect the current national average labor cost per person." The man does not live who can tell what that language means. There is nothing in the rest of this section, or in the joint resolution, which sets up a

I am not saying this in a critical spirit. I am simply saying that there is nothing in this language which the average human being, let alone lawyers here, would understand. What does "average labor cost" mean? It has no meaning. It has no significance whatever.

Mr. Adams. I think it is perfectly obvious, because the labor cost

is \$61 per month per man.

Mr. Bons. Where does the Senator find that in this joint resolution?

Mr. Adams. It is in the testimony.
Mr. Bone. Yes; but the testimony is not law.
Mr. Adams. The Senator said nobody could find it. I am telling the Senator where he can find it.

the Senator where he can find it.

Mr. Bone. But where can it be found after the joint resolution is enacted? The only place anyone will look for a yardstick or a rule is in the law that we pass.

Mr. Adams. This provision lays down the standard of the average labor cost per person of the Works Progress Administration, which over and over and over again has been testified to as \$61 per month per man. That is the national average referred to in this section as it came from the House.

Mr. Hughes, Mr. President, will the Senator yield for a question?

this section as it came from the House.

Mr. Hughes. Mr. President, will the Senator yield for a question?

Mr. Adams. I am glad to yield.

Mr. Hughes. What is the meaning of "geographical areas"?

Mr. Adams. I refer the Senator from Delaware to the Senator from Georgia [Mr. Russell.], who drew the amendment.

Mr. Russell. Mr. President, in simple language it means that in the Senator's State of Delaware, under the present wage scale, a common laborer in the county of New Castle is paid 41 cents an hour. In the county of Kent a man doing the same type of labor is paid 25 cents an hour for unskilled labor. That is, in one

geographical area one man is paid 41 cents an hour, and in another geographical area, in the town of Dover, he is paid 25 cents an hour. This amendment says that if that difference in wage scale can be justified on the difference in the cost of living, it cannot be touched, but that if there is no difference in the cost of living in the county of New Castle and the county of Kent that will justify 100-percent differential under some of these wage schedules, then the authorities shall either raise the pay of the man in Kent County up to the amount that is being paid in the county of New Castle or else they shall reduce the pay of the man in the county of New Castle to the amount that is being paid in the county of Kent.

man in the county of New Castle to the amount that is being paid in the county of Kent.

I may go further, and say that so far as bricklayers are concerned, if one of the Senator's constituents living in the county of New Castle is fortunate enough to get on the W. P. A. rolls, he is paid \$1.50 an hour. A man living in the county of Kent, doing exactly the same work, is paid 75 cents an hour, or one-half the amount. I am endeavoring to eliminate some of those discrepancies.

Mr. Hughes, I may say to the Senator that there is not the

Mr. Hughes. I may say to the Senator that there is not the difference in wages of which he speaks in the two geographical areas. There is in the city of Wilmington; but in the rest of New Castle County, which is more than nine-tenths of the county, the same wage scale prevails as in Kent and Sussex Counties.

Mr. O'Mahoney. Mr. President, if I may interpose at this point, I think I can explain how this differentiation is brought about. I think it will bear out what the Senator from Delaware has said, and I think it will raise a question for the Senator from Georgia to answer.

The difference in the rate of wage now being paid to workers even within the same region is based upon population statistics. In each wage region there are five different schedules according to population. There is one rate for communities the population of which is under 5,000, another for communities having a population of between 5,000 and 25,000—

Mr. Russell. Is that for communities, or is it for counties having

cities of that population?

Mr. O'Mahoney. For counties having cities of that population.
Mr. Russell. I so understood it. Of course, the figures given
me by the Works Progress Administration may be entirely erroneous,

me by the Works Progress Administration may be entirely erroneous, and the Senator from Delaware may be correct; but those are the figures that were furnished me.

Mr. Hughes. Mr. President, I want the Senator to have in mind the fact that in my State, in the county of Kent, in the northern part, where the two counties come together, right on the border line, a school library is being built by the W. P. A. The wage scale in the county of Kent is 25 cents, and right across the line, in the county of New Castle, the wage scale is 41 cents, as the Senator says. That has created a great deal of difficulty in working out the problem, because one man would be working on the project and getting 25 cents, and another would be working on the project and getting 25 cents. That arbitrary fixing of the scale of wages causes a great deal of trouble when it comes to working out the problem, owing to the fact that New Castle County is one region and Kent County is another region, and Sussex County is still another region.

region and kent County is another region, and Sussex County is still another region.

Mr. O'Mahoney. That experience is duplicated all over the country, in practically every State. The Senator from Georgia is referring to a table which shows, apparently, grave injustices in the wage rate. In order that the statement may be clear in the Record, however, at this point I should like to continue to identify the different schedules. different schedules

The third division is counties in which the largest municipality

The third division is counties in which the largest municipality has a population of between 25,000 and 50,000; the next, population between 5,000 and 100,000; and the next, all over 100,000.

The question I want to direct to the Senator from Georgia is whether the words "geographical areas" will have the effect of doing away with this population schedule.

Mr. RUSSELL. It will, absolutely, unless the discrimination can be justified by differences in the cost of living. If the difference referred to by the Senator from Wyoming can be justified by differences in the cost of living, it will not affect the wage scale; but if it cannot be justified by differences in the cost of living, then it will be the duty of the Administrator of the Works Progress Administration to eliminate the differential.

Mr. O'Mahoney. Then, is it the conclusion of the Senator that the result of the adoption of this amendment would be that if the cost of living in the three wage regions which have been set up by the W. P. A. justifies different rates of pay, the W. P. A. would be entitled to arrange for different rates of pay?

Mr. RUSSELL. They not only would be entitled to do so, but it would be their duty to do so.

Mr. O'Mahoney. But that there could be no justification whatever for any difference in rates if the cost of living did not appear of record in the studies of the W. P. A.?

### SENATE DEBATE JUNE 28

Mr. O'MAHONEY. Mr. President, in order to make it clear that the Senate substituted for the House provision an amendment which was designed to maintain the old prevailing-wage formula, and also to prevent discrimination in the security wage, I ask unanimous consent to include in the RECORD also the debate on June 28, which followed the presentation by the Senator from Nevada [Mr. McCarran] of the amendment to which I have referred. It will be observed that this amendment proposed to strike out all of section 15 as it came from the House and to insert in lieu the language offered by the Senator from Nevada.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Mr. McCarran. Mr. President, I send to the desk an amendment, which I ask to have stated.

The Presiding Officer. The amendment will be stated for the

information of the Senate.

The Legislative Clerk. On page 19, line 11, it is proposed to strike out all of section 15 and insert in lieu thereof the following:

strike out all of section 15 and insert in lieu thereof the following:

"The rates of pay for persons engaged upon projects under the appropriations made in this joint resolution shall not be less than the prevailing rates of pay for work of a similar nature in the same locality as determined by the Commissioner of Works Projects: Provided, That not less than the minimum rate of pay established by the Fair Labor Standards Act (Public Law No. 718, 75th Cong.) for private industry shall be paid to any person engaged upon projects under this joint resolution: Provided further, That in fixing the monthly earning schedule of persons employed upon Works Projects projects, the Commissioner of Works Projects shall consider differentials in such earnings according to the various classes of work only and shall not give consideration to differentials between cities, counties, or other areas upon the basis of degree of urbanization, or any other factor that will tend to discriminate against the less urbanized areas."

Mr. McCarran. Mr. President, we commenced discussing this

against the less urbanized areas."

Mr. McCarran, Mr. President, we commenced discussing this question in 1933. We have been carrying on the work ever since. It is proposed to maintain in America the wage standard for American living as established by American labor. If the Senate of the United States does not want those who are especially interested in wage standards to advise, then I would say that the Senate should discognite the views of the President of the United States. ested in wage standards to advise, then I would say that the Senate should disregard the views of the President of the United States, because following nearly 7 weeks of debate in 1933, at the conclusion of which we were defeated in the prevailing-wage amendment, the President of the United States caused an investigation to be made out of which three great zones in America were established. lished looking to the carrying out of the prevailing wage in each

of those zones

The amendment offered takes into consideration first of all the President's executive proclamations following the battle that he conducted in 1933 for the continuation of the prevailing wage.

Mr. Walsh. Mr. President, will the Senator yield? Mr. McCarran. I yield. Mr. Walsh. Is the second paragraph or section of the Senator's amendment, relating to the eliminating any differential, a new principle?

Mr. McCarran. It is not a new principle, if the Senator has in mind a principle that has been worked out and is now in the law.

Mr. Walsh. I understand fully what the Senator said in reference

to the first paragraph and the application of the prevailing rate of wage during the years that have passed; but I have wondered whether the second paragraph was likewise in the law.

Mr. McCarran. The second paragraph or the second proviso? Mr. Walsh. The latter is a better expression. Mr. McCarran. That is not in the law, but is in the Executive

Mr. Walsh. So that the Senator contends that both the first pro-

Mr. Walsh. So that the Senator contends that both the first proviso and the second proviso are now, by reason of the Executive order, the law and the manner in which the wages are adjusted and determined under W. P. A. appropriations.

Mr. McCarran. The Senator is entirely correct. In the President's executive order is involved the security wage. So the security wage has been established, after a study resulting in an Executive order by the President. And then involved in this matter is something more, namely, the wage and hour provision. In other words, we established a floor below which wages could not go, namely, 25 cents per hour.

In other words, we established a floor below which wages could how go, namely, 25 cents per hour.

Mr. Walsh. Does that floor increase with the years, as the wage and hour law provides?

Mr. McCarran. It does not increase.

Mr. Walsh. It remains for the present year at the minimum wage fixed in the wage and hour law, namely, 25 cents?

Mr. McCarran. That is correct. But may I bring to the mind of the Senator the three zones established by the Executive order in which the particular minimum-wage scales prevail? There are four wage scales. four wage scales.

Mr. WALSH. Is the minimum wage the same in all those regions?
Mr. McCarran. They are not the same. They cannot be the same, because the wage and hour measure does not contemplate that they would be the same.
Mr. WALSH. The wage and hour measure makes the minimum wage uniform throughout the whole country?

Mr. McCarran. Yes, sir; uniform over the entire country. That is true. But remember that the Executive order provides for three zones, and those zones with their particular classification of hours and the particular classification as to monthly earnings, must be contemplated.

I may say, Mr. President, that while we started the battle for this amendment in 1933 with the idea of establishing a wage in conformity with what the labor class of the country had evolved by experience, we have now worked into the amendment not only that experience but also the law as it has been evolved by the Congress.

I submit it to the Senate with the hope that it may be adopted

I submit it to the Senate with the hope that it may be adopted as a substitute in place of the present section 15.

Mr. Lode. Mr. President, will the Senator yield?

Mr. McCarran. I yield.

Mr. Lode. As the Senator knows, I am strongly in favor of the prevailing wage principle. I should like to ask the Senator whether the words in the amendment "or other areas" mean that there shall be no difference in pay or in rates of pay between the various sections of the country?

Mr. McCarran, In that regard if the Senator will hear in mind.

Mr. McCarran. In that regard, if the Senator will bear in mind

in connection with my answer the three zones, each of which carries its particular rate of pay—

Mr. Lodge. That is what the W. P. A. calls a wage region.

Mr. McCarran. A wage region. With that in mind, if I catch the Senator's question, I think my answer is that within the zone there is no differential.

Mr. Lodge. This would not act as a prohibition to a differential between different zones, would it? There would be a differential between different zones, but there would not be a differential within the zones: is that correct?

Mr. McCarran. There would be no differential within the zone.

Mr. McCarran. There would be no differential within the zone. Mr. Lodge. But there would be one between the zones. Mr. McCarran. That is correct. In other words, let us assume we are in the first zone, and let us assume, if I may go home, that the principal city in my State, with a population of 30,000, has established a wage scale which is recognized by the various methods by which recognition is accomplished. Now let us assume that a project is outside that particular city. Then the wage scale of that city shall prevail in that project which is outside. But let us assume that over in Idaho, an adjoining State in the same zone, a different wage scale is attempted to be established. Then the amendment carries the idea that the same wage scale shall prevail within the zone in the same district. within the zone in the same district.

Mr. Lodge. But it does not require that the same wage shall be paid in Nevada as is paid in Massachusetts, let us say.

Mr. McCarran. I am not certain whether or not Massachusetts is in the same zone.

Mr. McCarran. I am not certain whether or not Massachusetts is in the same zone.

Mr. Lodge. Assume that they are in different zones.

Mr. McCarran. I am assuming that. I would say "no." I rather think, if I hold in my mind the zones as they have been portrayed, that New England is in the same zone as Nevada.

Mr. Lodge. Then that is a poor illustration. The point I am trying to get at is that there is no attempt in this amendment to iron out all the rates on a uniform basis.

Mr. McCarran. The Senator is correct in that regard.

Mr. President, I submit the amendment and ask for a record vote. The Pressibing Officer. The yeas and nays are demanded.

Mr. Davis. Mr. President, the first prevailing-wage scale was approved by the President of the United States on March 3, 1931. During the years I have been in the Senate I have consistently upheld the principle of the prevailing wage. In 1931 I was actively identified with the movement which finally resulted in the enactment of the Davis-Bacon bill. I have followed this principle through in its application to industrial firms doing business with the Government under the terms of the Walsh-Healey Act. I favored and voted for the essential principles of the Fair Labor Standards Act. The American Federation of Labor over a long period of time has held a consistent position in these matters.

Mr. President, I ask that a copy of the Davis-Bacon Act, approved March 3, 1931, be printed in the Record as a part of my remarks.

The Presiding Officer. Without objection, it is so ordered.

The act is as follows:

"[Public-No. 798-71st Congress] "[S. 5904]

"An act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and subcontractors, and for other purposes

"Be it enacted, etc., That every contract in excess of \$5,000 in amount, to which the United States or the District of Columbia is a party, which requires or involves the employment of laborers or mechanics in the construction, alteration, and/or repair of any public buildings of the United States or the District of Columbia within the geographical limits of the States of the Union or the District of Columbia, shall contain a provision to the effect that the rate of wage for all laborers and mechanics employed by the contractor or any subcontractor on the public buildings covered by the contract shall be not less than the prevailing rate of wages for work of a similar nature in the city, town, village, or other civil division of the State in which the public buildings are located, or in the District of Columbia if the public buildings are located there, and a further provision that in case any dispute arises as to what are the prevailing rates of wages for work of a similar nature applicable to the contracts which cannot be adjusted by the contracting officer, the matter shall be referred to the Secreby the contracting officer, the matter shall be referred to the Secretary of Labor for determination and his decision thereon shall be conclusive on all parties to the contract: Provided, That in case of national emergency the President is authorized to suspend the provisions of this act.

"Sec. 2. This act shall take effect 30 days after its passage but shall not affect any contract then existing or any contract that may thereafter be entered into pursuant to invitations for bids that are outstanding at the time of the passage of this act."

Mr. Davis. Mr. President, I am for the pending amendment and hope it will be enacted into law.

The Presiding Officer. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. McCarran].

Mr. O'Mahoney. In order to perfect the amendment and to make clear the point which was raised by the question of the junior Senator from Massachusetts [Mr. Lodge], I move that the amendment be amended by inserting after the word "city" the word "or" and by striking out after the word "county" the words "or other areas." That modification makes clear the interpretation which the Senator from Nevada and the Senator from Massachusetts have agreed upon

have agreed upon.

Mr. McCarran. Mr. President, I accept the amendment.

The Presiding Officer. The Senator so modifies his amend-

Mr. Wagner, Mr. President, may we have the amendment as now modified reported?

The PRESIDING OFFICER. The amendment offered by the Senator from Nevada [Mr. McCarran], as modified, will be stated.

The LEGISLATIVE CLERK. The amendment, as modified, proposes to strike out, on page 19, line 11, all of section 15 and insert in lieu thereof the following:

"The rates of pay for persons engaged upon projects under the appropriations made in this joint resolution shall not be less than appropriations made in this joint resolution shall not be less than the prevailing rates of pay for work of a similar nature in the same locality as determined by the Commissioner of Work Projects: Provided, That not less than the minimum rate of pay established by the Fair Labor Standards Act (Public Law No. 718, 75th Cong.) for private industry shall be paid to any person engaged upon projects under this joint resolution: Provided further, That in fixing the monthly earning schedule of persons employed upon Work Projects projects the Commissioner of Work Projects shall consider differentials in such earnings according to the various classes of work only and shall not rive consideration to differentials classes of work only and shall not give consideration to differentials between cities or counties upon the basis of degree of urbanization or any other factor that will tend to discriminate against the less

urbanized areas.' The Presidence of the American Street Street

On a division the amendment, as modified, was agreed to.

#### ADMINISTRATION OF UNITED STATES COURTS

Mr. BURKE. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield. Mr. BURKE. Mr. President, yesterday I gave notice that at the proper time I would make a motion to reconsider the vote by which the House amendment to Senate bill 188 was agreed to. I now enter the motion.

I ask unanimous consent that the Senate now reconsider the vote by which the House amendment was agreed to. I am proceeding by authority of the chairman of the Senate Committee on the Judiciary [Mr. ASHURST], who is unavoidably detained and who asked me to present the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and the vote is reconsidered.

Mr. SCHWARTZ. Mr. President, I do not believe I understand just exactly what it is the Senator desires to have done. Is this the question debated by the Senator from Indiana

Mr. BURKE. No; this is another matter altogether. We will not go into that question.

Mr. AUSTIN. Mr. President, is this the matter to which

there were objections yesterday?

Mr. BURKE. There were no objections made to this on yesterday. The Senator is referring to another matter, having to do with the administrative courts, about which the Senator from Indiana and the Senator from Kentucky and others were arguing. This is an altogether different bill, one referring to an administrative officer of the court.

Mr. AUSTIN. I understand. Mr. BURKE. The Senate passed the bill and the House passed the Senate bill with an amendment, and when the amendment came to the Senate we had the feeling that it was not material, so the chairman of the Senate Committee on the Judiciary moved that the Senate concur in the House amendment.

Thereafter, upon a more careful study, some of us felt that the amendment should be examined more carefully, and therefore we asked to have the action of the Senate rescinded, and that has been done. I now move that the Senate disagree to the House amendment, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to: and the Presiding Officer appointed Mr. Hatch, Mr. Logan, Mr. Burke, Mr. Austin, and Mr. Danaher conferees on the part of the Senate.

#### PASTOR MARTIN NIEMOELLER

Mr. DAVIS. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield to the Senator from Pennsylvania. Mr. DAVIS. Mr. President, the free independent spirit in man is a source of pride in the heart of every true American. We admire the man of courage and heroic stature. Such a man is Pastor Martin Niemoeller, now held, so we are told, in a concentration camp at Sachsenhausen, Germany. Niemoeller is in a concentration camp because he dared to uphold his right of religious liberty as minister of a German Lutheran Church. He has braved suffering for his faith. His free spirit and loyalty to conscience have stirred with admiration the hearts of millions of free people who have no special identity of interest with him in race, class, or creed. Today as a champion of human liberty Niemoeller is an unquestioned power. In his concentration camp he is silently fighting for all free men the battles of intellectual and moral integrity.

Martin Niemoeller is under the laws of his country. I do not seek to interfere with those laws, for they are completely subject to the will of a foreign power. I would not by any slightest inference wish to be placed in the position of meddling with the internal policy of a country not my own. However, I believe I speak for millions of my fellow countrymen when I say that should Martin Niemoeller and his family come knocking at the doors of America they would find a hearty welcome here because of the admiration we hold for the Niemoeller spirit of liberty.

As I understand, Martin Niemoeller, his wife, and seven children are permitted, under the provisions of subsection (d) of section 4 of the Immigration Act of 1924, as amended, to enter this country as nonquota immigrants. This section

An immigrant who continuously for at least 2 years immediately preceding the time of his application for admission to the United States has been, and who seeks to enter the United States solely for the purpose of, carrying on the vocation of minister of any religious denomination, or professor of a college, seminary, or university; and his wife, and his unmarried children under 18 years of age, if accompanying or following to join him.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, the editorial of Paul Block, published in the Pittsburgh Post Gazette, July 8, 1939, entitled "A Godless Nation Cannot Long Endure."

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial is as follows:

#### A GODLESS NATION CANNOT LONG ENDURE

The second anniversary of the imprisonment of Pastor Martin Niemoeller, marked by his clerical colleagues from all parts of Germany and by 3,000 loyal German Protestants, recalls once more this brave clergyman's fight against the Nazi regime's efforts to dominate the church.

The Nazi war on religion has been waged on all fronts; no creed has been safe from the brutal attacks of Hitler's followers. All ranks of Catholics, from cardinals and bishops to village priests and Sisters of Mercy, have been subjected to indignity. Their homes have been stoned and invaded, they themselves have been injured and imprisoned—all because they have refused to worship Hitler before God.

The treatment of the Jews in Germany is known to the whole world, and there is no need to repeat it here.

world, and there is no need to repeat it here.

Hilter and the atheists around him have not spared from their attacks the Protestant Church which has the largest membership in Germany. This should be proof, if any is needed, that the Nazis are determined to destroy religion and the church just as it has been destroyed in Russia.

In the course of the attempt to nazify the Lutheran Church, more than 700 Lutheran pastors were arrested. The best-known of these was Pastor Niemoeller, not only because of his patriotic record as a submarine commander in the last war, but because of his outspoken refusal to tolerate state interference with freedom of religion. But the Nazi fury has not stopped at Niemoeller himself. An attempt has now been made to oust from the

parsonage which they have long occupied Niemoeller's wife and seven children.

That the resistance to such dastardly acts has not abated while Niemceller and a number of his fellow pastors languish in concentration camps is shown by the bold defiance issued by Pastor Friedrich Mueller, who has been substituting for Niemceller in the latter's pulpit during his imprisonment. Mueller, who has himself seen the inside of a Nazi prison, has charged the Nazi leaders with "waging a battle against Our Lord Jesus Christ."

Pastor Friedrich Mueller, who has been substituting for Memoeller in the latter's pulpit during his imprisonment. Mueller, who has himself seen the inside of a Nazi prison, has charged the Nazi leaders with "waging a battle against Our Lord Jesus Christ."

If there were nothing else against Hitler and his henchmen, this attempt to destroy the church would alone be enough to condemn them and will eventually lead to the defeat and destruction of the Nazi regime. For religion and the church have been attacked for nearly 2,000 years, yet are stronger today than ever before

PAUL BLOCK. Publisher.

### EXPORTATION OF SCRAP IRON

Mr. DAVIS. Mr. President, while I am on my feet I wish to say something about the exportation of scrap iron. I am informed on good authority that during the last 5 years 13,000,000 tons of scrap iron have been exported from the United States. This is enough scrap to produce 8,500,000 tons of finished steel. Instead of being processed in this country, this steel was made abroad. If this scrap were made into finished steel in this country it would provide 52 man-hours of work for every ton processed. This would be the equivalent of work for 250,000 American workers, working 40 hours a week for 52 weeks in the year.

By the exportation of this scrap for refinishing in other lands American workers of many kinds are being deprived of employment. This is true of furnace men, finishers, salesmen, and thousands of men in transportation industries.

Mr. LUNDEEN. Mr. President, I wish to address a question to the Senator from Pennsylvania. Will the Senator from Vermont yield to me for that purpose?

Mr. AUSTIN. I yield.

Mr. LUNDEEN. The Senator spoke about jobs which could be furnished to idle workmen in America. The Senator, as I understand, does not propose to send the finished armaments to Japan?

Mr. DAVIS. No. What I said does not apply to finished armaments.

Mr. LUNDEEN. The Senator merely wishes to have the scrap iron processed into pig iron, as I understand?

Mr. DAVIS. Yes. It affects also the iron-ore miners in the State of Minnesota.

Mr. LUNDEEN. I so take it, and I value the remarks of the able Senator in that respect, because if we are to export these products, let us do so in such a manner that we shall benefit our own workmen in the United States. I could join the Senator in that sentiment, because we have a rather serious unemployment situation in the United States, and if we could find 250,000 jobs for American workmen I should be in hearty accord with the suggestion of the Senator from Pennsylvania.

Mr. DAVIS. Mr. President, I cannot now occupy more of the time of the Senator from Vermont. I had expected to go into this matter more fully, but I shall not undertake to do so today. At a later time I may do so; but I do not now wish to take the time of the very able and distinguished Senator from Vermont who desires to speak on the pending legislation.

## TRUTH IN FABRIC

The Senate resumed the consideration of the bill (S. 162) to protect producers, manufacturers, distributors, and consumers from the unrevealed presence of substitutes and mixtures in spun, woven, knitted, felted, or otherwise manufactured wool products, and for other purposes.

Mr. AUSTIN. Mr. President, I observe four Senators on the Democratic side of the aisle and five Senators on the Republican side of the aisle. I have been on my feet approximately 45 minutes. I have been interrupted by discussions of all kinds and varieties of subjects, including junk, I think some six times, and I call the attention of the world to the lack of interest of the United States Senate in the passage of Senate bill 162.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. O'MAHONEY. The Senator realizes, of course, that the lack of interest is due to a realization upon the part of the

Members of the Senate that the bill is overwhelmingly approved in this body, and that it is not necessary to remain on the floor while the Senator leads the filibuster against its adoption.

Mr. AUSTIN. Mr. President, I am complimented by this attempt to blow up wind. I know that the colleague of the author of the bill needs to do something to keep up his courage, for this bill in principle has been defeated during the past 25 years many times.

Mr. O'MAHONEY. Mr. President, will the Senator again

Mr. AUSTIN. Yes; I yield.

Mr. O'MAHONEY. I have observed that whenever any attempt was made to protect consumers in the United States, as, for example, when the Pure Food Act was under consideration, there were men who made the same argument that the very able Senator from Vermont is now making. Whenever it becomes necessary in order to protect the consumers from deleterious food or shoddy cloth, someone is sure to take the floor and make the arguments which the Senator from Vermont is now about to make, and, of course, Senators do not want to listen to that kind of argument, and therefore they do not come on the floor.

Mr. AUSTIN. Mr. President, again I am complimented by the colleague of the author of the bill. He is evidently a mind reader. He thinks I am possessed of an argument against the bill.

Mr. O'MAHONEY. Mr. President, I think I indicated that the Senator is not possessed of an argument. The Senator, to use his own phrase, is merely trying to "get up the wind."

Mr. AUSTIN. Mr. President, I have not commenced the argument, and if the distinguished Senator from Wyoming will remain patient a little while, he may listen to an argument.

Mr. O'MAHONEY. The Senator has just revealed the inaccuracy of his statement.

Mr. AUSTIN. Mr. President, I am not at all disturbed by interruptions; and I shall be glad to have the colleague of the author of the bill interrupt me at any time, even after I have commenced my argument.

I am about to mention to a nearly vacant Chamber some of the reasons why this type of legislation has not been passed during the past 25 years, and some of the reasons why it should not be passed now, not with a view of changing the mind of any United States Senator, many of whom have now come into the Chamber, and are complimenting me to the extent of listening to what I have to say, but with the view perhaps of affording those who sit in the gallery, who have propagated the evidence which has been cited here, some reasoning, some facts, which I believe they have never had under consideration, and so that the Record at least will contain an amplification of the minority views which were very briefly stated and contained on one page alone of the report of the committee.

Mr. O'MAHONEY. Mr. President, will the Senator yield? Mr. AUSTIN. I yield.

Mr. O'MAHONEY. I understood the Senator to refer to the minority view.

Mr. AUSTIN. I believe the Senator has correctly understood the statement.

Mr. O'MAHONEY. The Senator was in the minority in the committee; and he is in the minority on the floor of the Senate.

Mr. AUSTIN. The Senator from Vermont finds himself in the minority of the Senate. Unfortunately, he has been in that position ever since he came to the Senate. Often there has been cause for discouragement, Mr. President, because of the impossibility of holding back the attack upon fundamental principles which has been made throughout all the time the Senator from Vermont has been in the minority; but he has never been discouraged. He is not now discouraged; and if he stood alone on this question or on any other question in which he believed he would make the fight for principle, believing that ultimately sound principle will prevail in the United States of America, and that in the end we shall clarify our views by the kind of proceeding which

is going on at this instant; that is, by discussion. Of course, I take no offense at the charge which is expressed that I am filibustering against the bill. I believe those who listen to me will find that I shall talk about the proposed legislation all

the time I shall occupy the floor.

I am opposed to Senate bill 162, not because its authors desire to have goods truthfully labeled. I am for that principle. I believe that principle can be written into law if necessary. However, I assert that it is not necessary to add anything to the present law. Already our statutes contain sufficient provisions to enforce a proper labeling of goods which go on the shelves of our markets; and if any complaint is to be made that the laws are not enforced, I say the failure cannot be charged to the Congress of the United States, but can be charged to the law-enforcement officers of the United States.

Moreover, Mr. President, I think all know that the Federal Trade Commission is now considering the amplification and strengthening of its rules, which under the law it has the right and the power to make, with respect to branding all fabrics, both in their manufacture and in their merchan-

dising.

Even though I hold the view that our present law is adequate, I am willing to go still further. I am perfectly willing to make the gesture necessary to show how much Congress is interested in fair trade and in protecting the interests of the consumer in obtaining the right kind of goods, the goods he thinks he is buying. I am willing to enact laws which would accomplish that purpose; but I am opposed to this particular bill because it goes far, far beyond such a purpose. I am opposed to the pending bill because, at a most unfortunate time in our history, it undertakes to add to the control of a great Government at Washington over the small, intimate affairs of the people of the country. I am opposed to the bill because it imposes upon agriculture a control from which agriculture will feel injury in the future.

The pretense that this is the bill of the wool growers of America is absurd. The wool growers of America would profit nothing from the enforcement of Government control

to the extent contained in Senate bill 162.

In the first place, I think the most outstanding element of that control is setting up a mark possessed by only a few manufacturers in the entire world. I refer to the mark "virgin wool." The significance of that mark is so defined in the bill that only Mr. Forstmann and men like him can have the benefit of the proposed act just so long as the small group of society which can afford to buy superior products is still able and willing to pay the price for goods marked with the trade-mark "virgin wool."

Mr. WILEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. WILEY. Am I to understand that the gentleman just mentioned by the Senator has a trade-mark on the term "virgin wool"?

Mr. AUSTIN. No; he has not. However, he would have if the bill were enacted. He is the man who is especially interested in Senate bill 162.

We are providing, on page 2 of the bill:

(c) The term "virgin wool" means wool which has never been reclaimed from any spun, woven, knitted, felted, or otherwise manufactured product.

Virgin wool is wool from the back of the sheep. If anyone uses the label "virgin wool," and more than 5 percent of the total weight of wool in the garment is reclaimed wool, and that fact is not specifically noted, he is subject to imprisonment.

We have trade-mark laws in this country which up to this time we have supposed were ample to protect the special privilege granted to a person who has gained merit and who has devised a mark which is arbitrary in its character—that is, the product of art—and which, when attached to his product in commerce and used until it has acquired a goodwill in the United States, is entitled to protection as a trademark. But whoever heard of a man who owned a trade-

mark being able to have a fellow citizen who infringed it put in jail as a criminal? Nobody.

Let me ask another question, Mr. President: Whoever before heard of a citizen of the United States being granted a trade-mark of a name which was not artificial, not the product of his genius, not attached to his goodwill, not a part of the business that he had built up? Nobody; until we find these words, which belong to all mankind because they are not artful, given a practically exclusive privilege by the fact that there are only a few in this country who can manufacture, or who are in the business of manufacturing, textiles of virgin wool.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. SCHWARTZ. The Senator has changed his original statement. He said that the designation "virgin wool" was a trade-mark to Mr. Forstmann. As a matter of fact, the designation "virgin wool" is available to any manufacturer in the United States.

Mr. AUSTIN. Yes.

Mr. SCHWARTZ. There is no reason why a wool manufacturer cannot make a garment of virgin wool if he wishes. There is nothing in the technique of his machinery which would prevent him from doing so.

Mr. AUSTIN. Not at all.

Mr. SCHWARTZ. I should also like to have the Senator tell me under what provision of the bill a man is liable to criminal prosecution if the tag required to be put on the goods is inaccurate.

Mr. AUSTIN. On page 16, line 13, we find section 10, which reads as follows:

#### CRIMINAL PENALTY

SEC. 10. Any person who willfully violates sections 3, 5, 8, or 9 (b) of this act shall be guilty of a misdemeanor and upon conviction shall be fined not more than \$5,000, or be imprisoned not more than 1 year, or both, in the discretion of the court: Provided That nothing herein shall limit other provisions of this act

more than I year, or both, in the discretion of the court: Provided, That nothing herein shall limit other provisions of this act.

Whenever the Commission has reason to believe any person is guilty of a misdemeanor under this section, it shall certify all pertinent facts to the Attorney General, whose duty it shall be to cause appropriate proceedings to be brought for the enforcement of the provisions of this section against such person.

Now, Mr. President, turn back to section 3 to which section 10 says to turn back, and what do we find?

The introduction-

I read from page 3, section 3-

The introduction, or manufacture for introduction, into commerce, or the sale, transportation, or distribution, in commerce, of any wool product which is misbranded within the meaning of this act, or the rules and regulations hereunder, is unlawful and shall be an unfair method of competition.

And so forth, and so on. We need look no further, although similar provisions are found in other parts of the bill. Those two sections make the violation of the labeling provision a misdemeanor for which a man may be imprisoned.

Mr. SCHWARTZ. Mr. President, in section 4 there is no criminal penalty, and as to section 3 or any of the other sections there has got to be a willful violation. "Willful," of course, means that there must have been abiding in the man an intent to violate the law. Are we to have a law that a man can intentionally violate and then be subject to no criminal action?

Mr. AUSTIN. Certainly we have such laws under our free institutions. For instance, we allow a man to violate a trademark willfully without throwing him into jail.

Mr. SCHWARTZ. This is not a trade-mark matter.

Mr. AUSTIN. That is the point exactly. Never before have we made it possible, when a man or group of men who by virtue of their economic circumstances were able to secure from the great, powerful sovereign a mark, that for a willful violation of that mark by another the violator or infringer could be thrown into jail. Never before has that occurred, and I hope we will not see it occur now.

Mr. SCHWARTZ. Mr. President, will the Senator yield? Mr. AUSTIN. Yes.

Mr. SCHWARTZ. I hope we are making progress. It is undoubtedly true that in the past, if someone was great enough, if someone had money enough, if his business was widespread enough, and his conscience was evil enough and he violated the Trade-Mark Act, all that could be done to him would be to slap him on the wrist and tell him not to do it again. But we are getting beyond all that. People who intentionally violate a law cannot merely pay the damage, change their names, and come back and do it again.

Mr. AUSTIN. I am glad the Senator is frank about it. He is the author of this bill: he has carried out his attitude toward the citizen, toward our style of government, toward our free institutions by what he has written in this bill and what he now says about the violation of trade-marks.

Mr. O'MAHONEY. Mr. President, will the Senator yield? Mr. AUSTIN. I yield.

Mr. O'MAHONEY. Of course, the Senator does not really contend that there is any possible analogy between the provisions of this bill and the trade-mark law? The trade-mark law, as the Senator well knows, merely authorizes any person engaged in commerce to select for himself a mark which shall identify his goods. This is a provision which makes it unlawful for a person to attach a false label to goods. This bill, like many others which have been enacted into law, is intended to prevent misbranding for the protection of the

The argument the Senator is making would be an excellent argument before a jury that might not be familiar with principles of law. I doubt very much whether it is especially designed to convince the intelligence of Members of the Congress. It boils down to this: The Senator's contention is that those who use shoddy shall be free to mark it "all wool."

Mr. AUSTIN. Mr. President, that is a good deal of an assumption. I cannot recall making any such argument or any such claim, and it is evident that there is enough to what I have pointed out with respect to the effect of this bill, if it should be enacted into law, to provoke a very earnest reply from the author of the bill and his colleague. I believe that it will need reply from more than them to change the clear, legal, and factual consequences of that prevision in the bill.

We have listened to the reading of a long list of supporters of this proposed legislation. Mr. President, in 25 years much literature has been circulated all over the country, but who is there who comes to the Congress of the United States after 25 years to urge the passage of Senate bill 162? Are they people in general or are they those who have been inspired or excited to come here by propaganda emanating from centers such as this great center, the Capital of the United States?

Mr. WILEY. Mr. President, will the Senator yield? Mr. AUSTIN. I yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, as the Vice President of the United States said the other night, according to reports, let us be practical. I understand from the argument of the Senator that if this bill were passed it would practically give a monopoly to a few who manufacture virgin wool. Is that

Mr. AUSTIN. That is correct.
Mr. WILEY. I wish the Senator would amplify that statement so that we may understand clearly not only the implication involved but the result upon the producer of wool and upon the manufacturer who employs labor.

Mr. AUSTIN. Very well, I will do that.

Mr. President, I take my own little State for example. By far the largest number of mills in my State are small mills located on little shining rivers. Some of them have been able to live and carry on for more than a century. I know of one mill which a year ago celebrated its one hundredth anniversary, a mill conducted throughout all those years in the name of one family and still conducted by the direct lineal descendants of that family. Those mills manufacture goods that the plain man and woman wear. They are not high-priced goods; they are low-priced goods. The mills do business on a very small margain of profit. Throughout the depression some of those mills had to close. Some of them

have experienced the fear that the closing might mean the permanent ending of constructive work in small communities in Vermont. It would be utterly impossible for them, from an economic point of view, to convert those factories into mills that could compete with Mr. Forstmann and a few large institutions that are able to manufacture fabrics from nothing but virgin woel.

In the first place, they would have to find a market. Mr. Forstmann has the market now. They would have to go out in competition with him. I ask the Senator, being a businessman, what chance for the future would there be for those little mills in Vermont if they undertook to enter the market for virgin-wool fabrics? They would have to give up their own market to do it. Their market is a moderate-price market. People for a century and a half have bought their goods at moderate prices, mackinaws, for example, for \$2 apiece. They are not made of virgin wool, and, as a matter of scientific fact, we were informed that some fabrics made of wool and other fibers mixed together are better goods for the workingman, for the man who wears a mackinaw, than would be the virgin-wool garment, because the mixed fabric holds up better, is stronger, and wears longer, and is warmer.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. SCHWARTZ. What is to prevent, even under this bill, the manufacturers the Senator is now talking about from continuing in the business in which they are now engaged?

Mr. AUSTIN. I am coming to that.

Mr. SCHWARTZ. They have been in the business-Mr. AUSTIN. I am answering first the question of the Senator from Wisconsin.

Mr. SCHWARTZ. They have been in the business for a 100 years and have an established line of customers.

Mr. AUSTIN. I will answer that presently. I might briefly say "price."

Mr. SCHWARTZ. This bill will not affect the price of the article which they sell.

Mr. AUSTIN. It will not?

Mr. SCHWARTZ. No.

Mr. AUSTIN. Does the Senator think that they could undertake the bookkeeping and inspection required to conform to the terms of this bill without adding anything to the cost of production of these cheap garments?

Mr. SCHWARTZ. They know what they make: they know what they put in the goods, what percentage of wool they put in, and the only extra cost involved will be to attach additional labels or a few more lines of printing on the same

labels they now use.

Mr. AUSTIN. I believe the Senator is overlooking history when he undertakes to claim that Government control of business does not add to its cost. Our experience universally proves the contrary. But I am being diverted from my answer to the question of the Senator from Wisconsin. It is a matter of practical competition. Who can afford to provide the looms and the mills, employ the skilled labor, buy the raw material, and go out and get a new market in competition with those who now have it? When we look the field over and see on what a close, thin margin these small mills throughout the United States are now operating it can readily be seen how small an added burden it will take to put them out of business.

That is where the monopolistic effect comes in. As they go out of business, the strong manufacturers grow stronger. That is the evolution of pernicious monopoly. Put this label by law on the goods of a few men today and they will grow richer, their goods will grow more costly, and their customers will become less numerous. The small mills that now manufacture reprocessed wool into garments will be unable to compete with them, because of the anathema which this bill puts upon them in the market. If a woman must choose between virgin wool and reprocessed wool, or reused wool, or some other inferior wool, and pay a higher price than she is now paying, she will cease to purchase wool, and will find other types of textiles. There will be substitute materials which do not have to carry the burden of Government control.

This is only one step in a grand scheme; this is only one more step toward having the lash of criminal punishment put upon those who transgress the monopolistic privileges it is proposed to grant; this is only one step in the process of centralization at Washington of control over all business.

Do you think, Mr. President, that in the long run substitutes for virgin wool will escape control? Oh, no, indeed. Very soon after virgin wool has had the sun of beneficence of a powerful sovereign smiling upon it, substitutes will also have to come under the control and the monopolistic beneficence of the Federal Government.

Mr. WHITE. Mr. President, will the Senator yield? Mr. AUSTIN. I yield to the Senator from Maine.

Mr. WHITE. I notice in section 3 of the bill that the manufacture for introduction into commerce, or the sale, transportation, or distribution in commerce of any wool product which is misbranded, and so forth, is declared unlawful.

I can well understand how a manufacturer might be able to tell the quality of the wool which he processes into a fabric—that is, how he might tell whether it was virgin wool or reworked wool—but I have been told that there are absolutely no tests which can be applied to the completed fabric to determine whether there is virgin wool or reworked wool in the fabric. Is that a correct statement?

Mr. AUSTIN. Mr. President, I believe it to be correct. There are those who claim they can do it. On the other hand, our Bureau of Standards says it cannot do it.

Mr. SCHWARTZ. Mr. President-

Mr. WHITE. Permit me to finish the question. Assuming that to be true, of course we could check closely, and we perhaps could prevent the manufacturer within the jurisdiction of the United States from putting into the fabric anything but virgin wool unless he marked it according to the quality or kind of wool which went into the garment.

Mr. AUSTIN. Yes; it can be done here by injunction, and it can be done by criminal prosecution.

Mr. WHITE. But what I am coming to is, what about the foreign manufacturer? By our reciprocal-trade arrangements we are undertaking very greatly to increase the importations into this country of wool fabrics of one kind and another. How are we going to reach the foreign manufacturer? How are we going to know whether he has used virgin wool or reworked wool, or what he has used? And when his product in the fabric reaches this country, what are we going to do about it? What can we do about it? Under the terms of the bill, as a matter of fact, have we not placed a premium upon the foreign manufacturer of woolen fabrics, and correspondingly placed a burden upon the domestic manufacturer of woolen fabrics?

I am asking a question rather than making an assertion. Mr. AUSTIN. Mr. President, assuming that we cannot with certainty ascertain the relative quantities of virgin wool and reworked wool in a garment, probably we could not enforce this law against imported wool products; but I will add that probably we never could enforce it against goods domestically merchandised, goods that come from the farm through the factory and the store to the consumer, all within the United States. But in section 8 of the bill there is an attempt to exclude misbranded wool products. I should like to postpone the discussion of that subject until later, because it is quite an important one, and I should like to keep my discourse as nearly regular as I can. I desire to conclude the point I started on with respect to monopoly.

I have dealt with the manufacturer, and have undertaken to point out the practical effect of having a few men or a few factories in the United States that are able financially and because of their mill set-up and because of their markets to enjoy the exclusive benefit of the label "virgin wool," and how all the other manufacturers in the country would be at a great disadvantage. Some of them possibly might be lifted up in some way to the same level, and be able to compete to some extent; but the natural effect of the law would

be to consolidate the position of the strong and make him stronger, and to consolidate the position of the weak and make him weaker.

But someone else is involved in this proposal, and that is the sheep raiser. What is going to happen to him as this law goes into effect, and this monopoly, this superiority that is given to the product of a few manufacturers, gains possession of the market? He will be in the hands of a few buyers who will control the entire situation. He will get the small end of this stick. His prices will not concern the manufacturer, except on the question of how cheaply the manufacturer can get his product. If the manufacturer is the wool grower's only market, and there are only a few manufacturers, what opportunity will the wool grower have, by a broad market with many competitors, to offer his goods here and there until he gets his price? He will have to take what is given to him; and, what is worse, he will have a market for only the quantity of virgin wool which the people of the United States will take, which quantity, I claim, will be lessened by the effect of this bill; for the price controls the quantity, and the price will go up; the number of consumers of virgin-wool goods will go down; the number of substitutes for that line of fabrics will increase; and in the long run the seller of virgin wool will feel the hard heel of the oppressor, the hard heel of the man who enjoys an injurious monopoly.

Mr. O'MAHONEY. Mr. President, before this heel chokes me off, will the Senator yield? [Laughter.]

Mr. AUSTIN. I hope the heel gets into the right place. [Laughter.]

Mr. O'MAHONEY. That is a sort of back-handed method of approach, is it not? The Senator is following that approach throughout his argument. As I now understand him, he is trying to convince the Senator from Wisconsin that the greater the market for shoddy, the poorer the market for virgin wool. It is very clear.

Mr. AUSTIN. Mr. President, how easily that word slips over the lips of the proponents of this bill. They have used that type of propaganda from the beginning to the time of this discussion in the Senate. They use the word "shoddy" because it reflects upon reprocessed goods; and that is part of the game. They want to put goods which are manufactured from reprocessed wool in an inferior position to goods which are manufactured of virgin wool; and they will do it just as surely as the sun rises in the morning.

Mr. O'MAHONEY. Well, let us use the Senator's euphe-

mistic phrase.

Mr. AUSTIN. Mr. President, I am addressing the Chair, and I still have the floor. The effect of the aspersion cast upon anything less than virgin wool will drive that great, needy market of buyers of moderate-priced goods to something else than wool; and who will suffer? The group of our society that always suffers, namely, the producers of the raw material. No segment of American society has felt depression anywhere near so much as has the farmer, because practically all the wealth that is produced comes from the farmers' hands and out of the soil. At least a third of all the people in the United States who are engaged in gainful occupation are engaged in agriculture. Is it any wonder that the Senate is keen to uplift agriculture from the depression as much as it can? Is it any wonder that I, who have throughout my service in the United States Senate consistently aided agriculture in every way in which I thought the Constitution would permit, should be now supporting agriculture, at a time when I am persuaded firmly that a blow is being dealt to agriculture from which it can rise only after the economic evils which flow from this legislation shall have been rectified by new legislation, and after the small mills of this country, which constitute the backbone of the market for the wool of the sheep shall be reestablished, and regain their market from those materials which will be substituted under the operation of this proposed law?

I am for the support of agriculture in my opposition to that part of the bill which sets up a monopoly, an injurious monopoly. I do not regard all monopolies as injurious,

Now I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Do I understand the Senator to contend that by promoting the use of reworked wool-I will adopt his euphemistic phrase, saying "reworked wool" instead of "shoddy"-

Mr. AUSTIN. Mr. President, it should not be dubbed "euphemistic." At least one body of Congress has adopted it, in its bill relating to this subject; and, by the way, it is a bill less subject to the criticism I am now making than is the pending bill.

Mr. O'MAHONEY. Does the Senator contend that to promote the use of reworked wool is a defense of agriculture? Mr. AUSTIN. What is the question—is it a defense of

Mr. O'MAHONEY. The Senator's argument for the last 5 or 10 minutes has been that he is a defender of agriculture, and particularly of the sheep grower.

Mr. AUSTIN. Not particularly; I did not say that.

Mr. O'MAHONEY. Then I misunderstood the Senator. Of course, I do not believe he is a defender of the sheep grower at all.

Mr. AUSTIN. That is a charge which is not justified.

Mr. O'MAHONEY. It is merely an expression of opinion. Mr. AUSTIN. There are sheep growers in my State, and my State has been famous for raising some of the best breeds of sheep bred in the United States.

Mr. O'MAHONEY. Exactly-

Mr. AUSTIN. And we export them to Australia, whence they first came to America.

Mr. O'MAHONEY. Then let me ask the Senator, will it aid the sheep growers of his State, who have produced such excellent wool, to promote the use, in the manufacturing establishments of his State, of reworked wool which comes from every other State in the Union?

Mr. AUSTIN. Yes; certainly.

Mr. O'MAHONEY. I should like to have the Senator develop that argument.

Mr. AUSTIN. I will.

Mr. O'MAHONEY. The tearing up of rags and the putting of those rags into the manufacture of woolen garments, instead of the virgin wool from the backs of the sheep of the citizens of Vermont will, in the Senator's judgment, be beneficial to those sheep growers?

Mr. AUSTIN. Yes, indeed. Mr. O'MAHONEY. That is a very interesting point of view, which I think should be developed.

Mr. AUSTIN. That is exactly what I claim. I maintain that the effect of the monopoly created by the pending bill would drive consumers of cheap garments, moderate priced garments, away from wool. Thereby it would put the market of those who have wool pieces and cuts and garments which have been laid on the shelves of merchants and have not been worn outside of America, and the mills would be put out of business because of the competition of other fabrics which are not loaded down with serious obstacles to the freedom of their operations. Our little mills would be gone, and the market for these pieces, these rags, would be elsewhere. I would see the vans going up Route No. 7 through Vermont into the province of Quebec. I can imagine ship after ship taking those pieces over to England, where the people recognize the value of a fabric made of reprocessed and reworked wool, and where they make some of the finest so-called woolen garments in the world.

Mr. SCHWARTZ. Mr. President, will the Senator yield? Mr. AUSTIN. I yield.

Mr. SCHWARTZ. Speaking of taking things to Quebec, and sending the rags to England, I wish to remark that within the last year the importation by Americans of British rags has increased 1,550 percent; in other words, the British are sending their rags over here; we are not sending ours over there.

Mr. AUSTIN. I thank the Senator for his remark, except that he is so far from right that it is almost amusing.

Mr. SCHWARTZ. I will produce the official figures.

Mr. AUSTIN. I will tell the Senator exactly what the situation is, and I will tell him what he ought to do to remedy a bad situation here with respect to wool: Protect the sheep grower; protect the man who raises wool from competition from abroad. Do away with the New Deal trade agreements, and there will not be the thing to which the Senator has referred, but referred to in such mild terms that it is like cutting a man's throat with a feather.

Mr. SCHWARTZ. Mr. President-

Mr. AUSTIN. As a matter of fact, the increase in importations of wool rags is a much higher percentage than that mentioned by the author of the pending bill, and I will give him the figures.

Mr. SCHWARTZ. As I understand the Senator's position, it is that when I stated that the importation of rags from Great Britain had increased within the last year, or the last 3 months, probably, fifteen hundred and fifty percent-

Mr. AUSTIN. I did not hear the Senator say fifteen hundred and fifty percent.

Mr. SCHWARTZ. That is exactly what I said.

Mr. AUSTIN. That is nearer correct. I understood the Senator to say 15 percent. Now we are getting together on a simple fact. Let us use it rationally.

Mr. SCHWARTZ. If the Senator would pay attention to what I state he would not rise and say I do not know any-

thing about what I am discussing.

Mr. AUSTIN. Mr. President, I think the Senator is probably justified. I thought I was looking at him and listening to him, and I thought that my comprehension was fairly good; but I misunderstood him, and I beg his pardon most humbly.

Mr. BORAH. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield.

Mr. BORAH. In these importations from Great Britain under the designation "rags," what is included?

Mr. AUSTIN. I will refer the question back to the distinguished gentleman who furnished me the information, and who, singularly enough, is in favor of Senate bill 162. This comes from Mr. Fred Brenckman, a friend of mine, and I am happy to agree with him in most of the positions he takes with respect to agricultural legislation. He is the Washington representative of the National Grange. Let me read his entire letter. It is dated May 17, 1939.

Over 2 months have elapsed since the hearings were concluded before the subcommittee considering S. 162, introduced by Senator Schwarz, of Wyoming, and commonly known as the wool products labeling bill.

As I stated when I appeared before the committee on behalf

As I stated when I appeared before the committee on behalf of the National Grange, we have for many years earnestly advo-cated legislation of this character for the benefit of the wool grower and for the protection of the consuming public.

That is a good objective; I am for it. I should be willing to add to the legislation already on the books in order to get it; but I am opposed to doing it in the way here proposed.

We are reliably informed that the manufacturers of so-called woolen products today are using more reworked wool or shoddy and other substitute fibers than virgin wool.

There cannot be any confusion about his being clear mentally as to the distinction, just as we are clear.

To further aggravate the situation, in the reciprocal-trade agreement with Great Britain we cut the duty on woolen rags in half. Under our unconditional most-favored-nation policy, this tariff concession is generalized to every other nation in the world except Germany.

except Germany.

According to the Department of Commerce, imports of woolen rags during January, February, and March, the first 3 months during which the reduced duties were operative, totaled 2,505,330 pounds, an increase of 2,338,069 pounds over the corresponding months of last year. This represents an increase of 1,397.8 percent in quantity and 938.7 percent in dollar value.

Mr. SCHWARTZ. Mr. President, will the Senator yield for one observation?

Mr. AUSTIN. Let me complete this, and then I will give the Senator an opportunity to interrupt.

Imports of wool wastes have increased 377 percent in quantity and 229 percent in dollar value for the period already indicated. All of these cheaper and inferior wastes and rags are used by the American manufacturers as undisclosed, lower-cost substitutes for new American wool. This raises the question, Shall the American people be clothed in European rags without knowing it?

This increased importation of European substitutes for American-grown wool makes it imperative that Congress enact the wool-products labeling bill at this session. We sincerely hope that this measure may be favorably reported from committee in the near future and that it will be passed at this session of the Congress

Sincerely yours,

THE NATIONAL GRANGE, By FRED BRENCKMAN.

Mr. President, I know this man to be a clear thinker. I believe him to be a sound man. I believe he would not espouse Senate bill 162 for this cause if he understood what it does and what it does not do, but so far as this particular point of his goes it is an utter futility. The provision relating to the exclusion of importations will not touch this product at all. It will not touch rags. Senators, hear the language of the bill. See what it is dealing with.

SEC. 8. All-wool products imported into the United States except those made more than 20 years prior to such importation—

I will read the rest, if necessary, but those few words show that it will not block rags. Who can dispute the claim that rags brought to our shores were made more than 20 years ago? What an absurd idea that we can overcome-

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. AUSTIN. Let me finish the sentence.

Mr. SCHWARTZ. Yes; but the Senator travels from one thing to another and does not yield when he has completed

Mr. AUSTIN. I insist that while I have the floor I should have the respect of the Members for the rules of the Senate. I will yield, as I said before, at the end of a sentence, but not in the middle of one.

I say it seems to me absurd to say that by passing a bill such as this we can overcome the effect of the trade treaty with Great Britain by which we cut down the tariff protection to wool growers 50 percent ad valorem. Anyway, this is not the whole story. I will now call the attention of the Senate to some other facts as to the kind of competition we are meeting.

I yield to the Senator now if he wishes.

Mr. SCHWARTZ. I merely wanted to make two observations. One is rather minor, and that is that whereas Mr. Brenckman says that the increase is 1,300 percent, I stated it to be 1.550-

Mr. AUSTIN. Is the Senator still hurt about that?

Mr. SCHWARTZ. No; I have not been hurt at all. I do not know of anything that the distinguished Senator can

Mr. AUSTIN. I cannot do more than I have.

Mr. SCHWARTZ. If the Senator will now permit me to complete my statement, I think we will be even. I merely wish to remark that the official letter from which I quoted carried the matter down a month or two later than Mr. Brenckman did. Furthermore, I will say that Mr. Brenckman testified before the committee in favor of the bill. What the Senator has read is not all he said. He is in favor of the bill. Furthermore, the purpose of the bill is not to reduce the tariff. It might be agreeable to some if we were to abolish the reciprocal-trade agreements. The purpose of the bill is, for the information of the American consumer, to provide for the labeling of goods that leave the factory.

Mr. AUSTIN. Mr. President, I think the Senator has entirely missed the point of my argument. Mr. Brenckman pointed out, as a cause for favoring this bill, that there were importations from foreign countries that would be prevented if we passed this bill. That is the point. I am undertaking to say that Mr. Brenckman does not understand the effect of the bill as to that. If he did he would not in writing make such a claim. That is all there is to it. I make the further claim on my own responsibility that we cannot remedy the wrong that has already been done through trade agreements, we cannot remedy the wrong done to the sheep growers of this country by undertaking to create this monop-

oly for Mr. Forstmann and others in a similar situation to that occupied by him.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield. Mr. WILEY. I should like at this time to make an observation. I have received a letter from one of the woolen mills in my own State. We are situated somewhat like the Senator is. We have a number of small mills. This letter comes from the Appleton Woolen Mills, and perhaps it may answer some of the questions that may have been asked. The letter is addressed to me, and is as follows:

We have noticed from various sources that this labeling regulations subject is again up in Congress. When the bill comes up for action we would appreciate your giving weight to the following items

1. No fair manufacturer objects to a practical truth-in-fabric

1. No fair manufacturer objects to a practical truth-in-fabric bill if such can be worked out.

2. The impracticability lies in the fact that research laboratories are unable to distinguish virgin from reworked wool.

3. This statement is acknowledged by all reliable laboratories, including the Bureau of Standards.

4. Because identification is impossible, such a law invites rather than stops unfair labeling of fabrics by those manufacturers who take advantage of this situation.

5. Therefore, the honest manufacturer is punished through being compelled to compete against an unfair fabric; also

5. Therefore, the honest manufacturer is punished through being compelled to compete against an unfair fabric; also, 6. There are two sources of wool:

(a) As clipped from the sheep;(b) As pulled from the pelt of slaughtered animals.7. Proposed bill unfairly excludes pulled wool from being labelled virgin wool.

8. Fair-practice rules must be workable or they are a decided detriment rather than a help.

If the Senator will pardon me further, I have a letter from another small manufacturer, and I ask particularly the attention of the Senators from Wyoming, because in that letter a statement is made which particularly pertains to their State. I quote it verbatim:

The State of Wyoming enacted a law a few years ago requiring that all garments be marked as to their virgin-wool content. Wyoming is one of our great wool States. This law was passed with great enthusiasm. All manufacturers and wholesalers shipping into great enthusiasm. All manufacturers and wholesalers shipping into that State were informed by circular letters and by letters from their dealers that this State law must be complied with. I asked one of our Wyoming dealers about the present status of this law. He answered that it was entirely dead, though he didn't know whether it had been repealed or not. There is no pretense, even in that great wool State, of trying to enforce this law. The difficulties of enforcement and the infinite ramifications caused it to fall of its own weight. It is of very great importance in this country that we cease multiplying laws only to have them disregarded.

I thank the Senator.

Mr. AUSTIN. Mr. President, I am most grateful to the Senator from Wisconsin [Mr. WILEY] for calling my attention to something of which I was not aware.

Mr. President, I shall make a unanimous-consent request. I ask that all the interruptions which have occurred during my discussion follow my address, so that my remarks will all appear together. I do not refer to the discussions that preceded it.

Mr. O'MAHONEY. Mr. President, reserving the right to object, I understand the Senator's request to mean the interruptions which were irrelevant to his discussion.

Mr. AUSTIN. I am afraid that would take everything out. I did not quite mean that, Mr. President. [Laughter.]

Mr. O'MAHONEY. Well, the Senator's whole speech, of course, would go out on that interpretation.

Mr. AUSTIN. I mean, Mr. President, those interjections of matters which did not refer to the subject under discussion.

Mr. O'MAHONEY. Exactly.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont? The Chair hears none, and it is so ordered.

Mr. AUSTIN. Mr. President, I thank the Senator from Wisconsin and-

Mr. SCHWARTZ. Mr. President, will the Senator yield? Mr. AUSTIN. Not now. I shall be glad to yield when I shall have finished this sentence.

Mr. SCHWARTZ. I wish to ask a question.

Mr. AUSTIN. In a moment I shall be glad to permit questions on anything and everything.

Mr. President, I appreciate the information which the Senator from Wisconsin [Mr. WILEY] gave the Senate about the experience of the State of Wyoming, so ably represented by the author of this measure [Mr. Schwartz] and his colleague [Mr. O'MAHONEY], who are supporting Senate bill 162.

Mr. SCHWARTZ. Mr. President, our inability to enforce the legislation was due to the fact that it interfered with interstate commerce, and we could not compel compliance with the law on the part of a manufacturer of shoddy in Vermont in connection with something which was not labeled according to its contents and which was shipped into the State of Wyoming.

Mr. AUSTIN. Mr. President, it can be seen how useful the word "shoddy" is.

Mr. SCHWARTZ. I will take that back. I will use the words "reworked wool."

Mr. AUSTIN. There is nothing more potent to excite antipathy than an opprobrious name. If we name a thing, a remark, or a person "shoddy," the effect is derogation of the thing, the remark, or the person. It is really an attempt to gain force by something which is not reason and which ought not to persuade the mind, although it may affect the feelings.

Mr. SCHWARTZ. Of course the words "reworked wool" are more euphonious. The designation of those who make the reworked wool-I will not say "shoddy"-is equally so. They call themselves the National Association of Wool Fiber Manufacturers. When that name appears on the records of the prosaic Bureau of the Census, which is not interested in the bill, the words "shoddy makers" are placed underneath.

Mr. AUSTIN. That is the kind of thing which may appeal to legislators, although I doubt it. I think it is much better taste to use the language of the bill before us and the language of the bill pending in the other branch of the Congress. The term "reclaimed wool" is used in the pending bill, and the words "reprocessed wool" and the words "reused wool" are employed in the bill pending in the other branch of the Congress. In any event, I myself should prefer to use those terms, regardless of the lack of sportsmanship which is involved in the use of an opprobrious

Mr. President, why does the Senator from Wyoming, having had the experience about which he now tells us with an attempt to regulate intrastate commerce and interstate commerce by means of a State statute, come to the Federal Congress and ask it to undertake to control intrastate commerce by a Federal statute? It seems to me that regardless of his profound learning and his knowledge of the Constitution-which should forbid it-his special experience in his own home State, for which I have great regard, ought to have prevented him from bringing to the Congress Senate bill 162, which provides, on page 4, lines 2 to 5:

Or who shall receive from or through commerce, and having so received shall resell or deliver for pay, or offer to resell or so

Why did he use those words when he was defining who is a criminal, and what are misbranded goods? He defines misbranded goods as goods which are in intrastate commerce; and he defines the malefactor as one who is re-That is, the transaction is entirely inside the boundaries of a State. By that penalty clause he would have the Congress undertake to put a man in jail if he should offend against section 3 of the bill. Could it be done? I say "No." I say that any court in the land would grant habeas corpus to a prisoner undertaken to be held for violating that provision of the bill. That provision should not be in the bill. It contaminates the whole bill. It is not in the House bill. Neither are the words "virgin wool" in the House bill. There are many things in the House bill which constitute a great improvement over Senate bill 162.

Mr. President, I was diverted. Interruptions are likely to divert us. I wanted to complete the picture of the situation of wool in this country in competition with processed wool from other countries, a condition brought about by New

Deal policies and New Deal laws, a condition brought about by transgressing the barrier which the people of the country set up between the White House and the Capitol when they said that treaties between this country and foreign countries must have the sanction, consent, and agreement of the Senate of the United States, and turning over to the President of the United States, as was done, the power to enter into treaties. Sometimes they are called trade agreements. Sometimes they are called treaties, as was the case with a bill which was before us the other day. In the bill relating to an exchange of critical materials for our agricultural materials, the word "agreements" was changed to "treaties."

What is the effect on wool? The imports of woolen and worsted piece goods since the rates of duty were reduced on January 1 have shown a very substantial increase over the quantity entered in 1938. The total imports for the months of January and February compare as follows:

January and February 1938, 1,476,00 square yards. January and February 1939, 2,695,000 square yards. What does that mean? It means an increase of 83 percent.

Mr. President, why not go right to the heart of the trouble? Is it because a New Deal policy is going wrong, and we do not want to admit its error? I think that is not good ground for the Senate to take, regardless of the existence of an aisle between Democrats and Republicans. I take no position on the bill which reflects a purely partisan standpoint; and I think there are many Democrats in the country and in the Senate who, when they contemplate an evil result of a policy put into effect under the present administration, are big enough, broad enough, and high enough to change it. That ought to be the attitude of the Senate. Instead of undertaking another control over agriculture by the great, powerful Government at Washington, another grant of a monopoly which tends to concentrate government and economy in Washington, let us adhere to the traditional economy of the United States, a free economy under a capitalistic system. depending principally upon free trade in the United States and a controlled trade abroad. Now that we have discovered the pecuniary injury to us from reversing the policy, why should we not take notice of it and act upon it?

We have reversed the ancient economy of the United States. By this method of control of business between and among the States of the United States, and by trade treaties cutting down the tariff walls and removing the protection to our industries from those which are operated by cheap labor abroad, we have reversed the economy of 150 years and have set up an economy which is ruled by free trade abroad and restricted trade at home, bringing all things under an allpowerful Government.

First, we go after coal, and we fix the price of coal. Then we must go after oil, because oil is in competition with coal. These actions have repercussions which we cannot foresee. If we fix the price of one article, we must fix the price of another. If we impose restrictions, investigations, and espionage upon one commodity, we must load down another commodity with the same sort of burdens, clogs, hindrances, regulations, and control in order to try to bring back the equilibrium which was created by a free business, a free government, and free commercial competition. We should have regulation by the Government; but we should have regulation so limited as to insure the highest degree of competition without making it an unlicensed, unjust, and unfair competition.

Mr. WILEY. Mr. President-

Mr. AUSTIN. I yield to the Senator from Wisconsin. Mr. WILEY. Mr. President, I take it the remarks of the distinguished Senator from Vermont in relation to the New Deal include policies, not simply centralizing power in Washington but centralizing that power in the Executive. Perhaps the Senator knows that one of the New Deal spokesmen last night, speaking over a national radio hook-up, suggested the abolition of the United States Senate?

Mr. AUSTIN. Mr. President, I do not think I could become calloused to such suggestions, for I always feel astonished when anybody suggests such a thing as making a unicameral legislature for our Nation. I find it hard, after our own experience, to countenance the idea at all with respect even to one of our States. We have lived through such an experience in my own little State. Vermont started off with a unicameral legislature. We had the parliamentary notion, but we thought we could conduct the business much better than old England, with two houses of Parliament, had done, and could improve on her system. So we set out with one house and we tried it for a number of years. We tried all the so-called new-fangled ideas, such as the recall of judicial decisions and the recall of judges. through that mill a hundred years ago, and we know from experience the fallacy of such theories and proposals.

Mr. President, I am going to try to hasten along, for I am not filibustering. In connection with my claim that this is a bill to create monopoly, I call attention to who it is that stirs up propaganda and interest in this measure. Lock at this brochure by Julius Forstmann [exhibiting]. Read it, Mr. President, and you will find there the source of the identical language of many of those who have written to the committee; you will find there the source of the identical paragraphs in the testimony of some of the witnesses who testified in favor of Senate bill 162. But, Mr. President, should you need any more proof of the extent to which this man goes in securing, if possible, a monopoly in the United States which would deal a lethal blow to the small factories of this country, look at this envelope that I hold in my hand [exhibiting] with the address cut out of it for fear of what might result to the addressee. The man who received that envelope dare not have his name presented to the Congress and to the world. He has endorsed on it:

I do not know how I happened to be on their mailing list, but thought the enclosed would interest you.

What is it? It is an envelope bearing in one corner what pretends to be a wool source, a sheep grower's source. It says "Consumers' League." You see, Mr. President, we get a little something out of that; because that is a popular thing to do; it refers to the consumer as well as to the wool

Consumers' League for Honest Wool Labeling, 824 Transportation Building, Washington, D. C.

It bears a stamp canceled by the post office at Washington February 18, 9 p. m., 1939; and down in the corner another stamp, reading:

An important message. Read it carefully and act at once.

When it is opened there is found inside a brochure of only a few pages. It can be readily and quickly read, and it concludes with this admonition:

As a consumer you are vitally interested in the enactment of this legislation.

It will be seen that it is addressed to consumers.

Write, therefore, immediately to your Senators and to your Representatives in Congress urging them to support and vote for the Schwartz Senate bill, No. 162, and the Martin House bill,

Consumers' League for Honest Wool Labeling. Washington Office, 824 Transportation Building, Washington, D. C.

How artless! "Washington office," implying that there is another office somewhere else. For, Mr. President, is not Washington a strange place to have a Consumers' League for Honest Wool Labeling?

I happened to have an opportunity to ask a few questions about that, and I am sure the Senate will be interested in what this league is, because it will determine whether this is not an ancient trick spoken of in Holy Writ. It will be remembered when wool was once used to play a trick. A distinguished and great patriarch said, as he felt, blind as he was, and had to feel in order to identify his son, "The voice is Jacob's voice, but the hands are the hands of Esau." Is this a more modern method of fooling Senators of the United States and Representatives in the other body? Is this another use that has a literary backing of sheep's clothing to cover up something that is not a sheep? Well, listen to this: J. B. Wilson, who now sits in the Senate gallery, on the witness stand being examined by me, testified as follows:

Senator Austin. I understand you have already testified before the subcommittee.

Mr. Wilson. That is correct.

Senator Austin, I did not have an opportunity to listen to your

testimony. Do you have an office here in Washington?
Mr. Wilson. Do I have an office here in Washington?

Senator Austin. Yes.

Mr. Wilson. No.

Senator Austin. Do you rent office space here in Washington?
Mr. Wilson. We rent, and when I say "we" I mean some of my
friends in Wyoming and I subrent some office space here, at 824— I think it is-Transportation Building, Senator.

It will be recalled that "824" is a familiar number. That is the number on the envelope; that is the number given on the brochure.

I am not even certain of the number of the room. I go over

there quite frequently, and I think it is 824.

Senator Austin. Whom do you rent from?

Mr. Wilson. From Miss Ruth D. Stiles, who has been doing my secretarial and stenographic work here for the past 10 years Senator Austin. During those 10 years what has been your busi-

Mr. Wilson. My business here has been to represent the wool growers on various matters, such as tariff, truth-in-fabric, land

legislation, and dozens of other things.
Senator Austin. Do you mean representing them before committees of Congress?

Mr. Wilson. Yes, sir; before committees of the Congress.
Senator Austin. Have you been doing this for pay?
Mr. Wilson. Well, I have been paid by my association. That is a part of the work that I am paid to do by the two associations I represent; yes.
Senator Austin. Do you have any other employment?
Mr. Wilson. I have no other employment.

Senator Austin. Have you received pay from any other source? Mr. Wilson. No, sir. Senator Austin. I mean except the two wool growers' associa-

Mr. Wilson. By the Wyoming Wool Growers' Association, of which I am secretary, and the Wyoming Wool Cooperative Marketing Association, of which I am treasurer.

Senator Austrin. And from no one else?

Mr. Wilson. No, sir. Senator Austin. Either directly or indirectly?

Mr. WILSON. No, sir.

Senator Austin. You have no contract for pay from anybody else?

Senator Austin. Either paid to you now or to be paid to you in the future?

Mr. Wilson. No, sir.

Senator Ausrin. Is there any such thing as Consumers' League for Honest Wool Labeling?

Mr. Wilson. The Consumers' League for Honest Wool Labeling, Senator, is the outgrowth of organizations we have had in Wyo-ming for some 19 years that we have been attempting to secure truth-in-fabric legislation. The organization you speak of is an organization of which I suppose if there be a head I am the directing head, but there are no salaries connected with it, and it is just an organization to disseminate information regarding this particular bill that is now under consideration before your com-

Senator Austin. What kind of organization is it?
Mr. Wilson. Well it is just a loose organization of friends of mine from Wyoming with no dues.
Senator Austin. Is it incorporated?

Mr. WILSON. No.

Mr. Wilson. No.

Senator Austin. Is it a copartnership?

Mr. Wilson. No. It is just—well, you can call it a propaganda organization if you like. I expect that is what it is as much as anything else, and I want to be perfectly frank with you in saying so. Senator Austin. Who else is a member of it besides you?

Mr. Wilson. Oh, a number of people in Wyoming. We associated ourselves together. Really it is a trade name, to be frank with

Senator Austin. To be perfectly accurate is it not yourself doing business as the consumers' league?

Mr. Wilson. No, sir. It is myself and some friends in Wyoming.
Senator Austin. Who are they?
Mr. Wilson. Mr. Hadsell, of Wyoming.
Senator Austin. What is his name and address?
Mr. Wilson. K. H. Hadsell, Rawlins, Wyo.
Senator Austin. Applied of the senator Austin.

Senator Austrin. Anybody else?
Mr. Wilson. Yes. There is Mr. LeRoy Moore, of Ross, Wyo.; Mr. John A. Reed, of Kemmerer, Wyo.; Mr. H. D. Port, and numerous others.

Senator Austin. Yes; and who else?

Mr. Wilson. I will be glad to submit a list of names for the committee if you desire it. I do not recall them at the moment. Senator Austin. Yes; I would like to know their names and addresses.

Now I want to call your attention to this envelope, postmarked at Washington, D. C., February—some date—1939, the contents of which purport to be a 4-page pamphlet entitled "Honest Wool Labeling. Why enactment of Schwartz Senate bill No. 162 and Martin House bill No. 944 are necessary to protect the consuming public from fraud and deception in the purchase of woolen products," and ask you who is the author of that pamphlet and who mailed it.

Mr. Wilson. As to the pamphlet, I am partially the author of it. Senator Austin. What is that?

Mr. Wilson. I say, I am partially the author of it. I helped to author it, if I may use that expression, or I collaborated in it, if that is the proper expression.

Senator Austin. Well, now—

Mr. Wilson (interposing). May I make a rather extended answer

Mr. Wilson (interposing). May I make a texture to that question?

Senator Austin. Yes, sir.

Mr. Wilson. Mr. Julius Forstmann, of the Forstmann Woolen
Co., prepared a rather large booklet on the wool-labeling question.

It was too large for average consumption. By that I mean the average person would not take long enough to read it. I suggested to Mr. Forstmann that I should like to have his help in condensing it, I mean the booklet, for general circulation, and I collaborated in the preparation of this pamphlet with Mr. Forstmann

mann.

Senator Austin. And who provided the funds with which to print and publish it?

Mr. Wilson. I presume Mr. Forstmann's company did. I am not certain as to that. But the Forstmann organization I would say. Senator Austin. Who paid for it?

Mr. Wilson. I presume if it is paid for they paid for it. I could not testify as to that. I asked him to furnish the pamphlet, and they did. they did.

Senator Austin. Then you did the mailing, did you?

Mr. Wilson. I did only a part of the mailing.

Senator Austin. How much of the mailing did you do?

Mr. Wilson. I think I mailed out probably 300 altogether.

Senator Austin. In a general way describe the addresses to whom

you sent this pamphlet.

Mr. Wilson. Oh, to various people I was writing to in regard to this bill. They were pretty well scattered over the United States. Frankly, even if I referred to my files I could not tell you to whom they were mailed because they were sent out in some instances without a covering letter.

Senator Austin. Did you accompany that pamphlet with a letter in some instances?

in some instances?

Mr. WILSON. Yes, sir. Senator Austin. Did you stamp on this envelope this informa-tion: "An important message. Read it carefully and act at once"? Mr. Wilson. It was stamped on the envelope, but I personally did

not do it.
Senator Austin. Where was it stamped?

Mr. Wilson. I think perhaps in New York, but I do not know.

Senator Austin. That is to say, Mr. Forstmann provided the envelope with its return address on it, and this stamp, did he?

Mr. Wilson. He provided the booklet, the envelope, and the stamp. I have not seen the stamp. May I look at it?

Senator Austin. Yes. This is the first time you have seen one

of these?

Mr. Wilson. I did not happen to see this stamp. Mr. Wilson. I do not have been mailed out under another cover.

Senator Austin. You have seen the stamp now, have you not?

Mr. Wilson. Yes, sir.

Senator Austin. Can you tell whether that particular envelope was mailed from your office or desk room?

Mr. Wilson. I cannot.

Mr. Wilson. I cannot.

Senator Austin. You will observe that it was mailed in Washington, D. C. That is to say, the stamp on it says that. I do not know whether it was or not.

Mr. Wilson. I presume it was, but I would not know.

Senator Austin. Is it probable, knowing what you do know about the transaction, that it was mailed from your office?

Mr. Wilson. I imagine it was mailed from the office in the Transaction. Publisher resetting.

portation Building; yes, sir.

Finally he was asked about the contents:

"As a consumer you are vitally interested in the enactment of this legislation. Write, therefore, immediately to your Senators and to your Representatives in Congress urging them to support and vote for the Schwartz Senate bill 162 and the Martin House bill 944."

That is the part you referred to in your answer, is it?

Mr. Wilson. Yes, sir.

Senator Austin. Now, what action did you expect from that pamphlet?

Mr. Wilson. We expected from that-well, the booklet itself is, I

think, the best evidence of what we expected. Senator Austin. Well, that is a fair answer.

So that is what this pamphlet refers to-that they expected everybody to write in.

The pamphlet was marked as an exhibit and is here for inspection. It would be rather interesting reading. I am not going to take the time of the Senate to read it, but any Senator who wishes to do so may take it and read it. It establishes the point that this communication pretended that a consumers' committee or organization interested in honest wool labeling had sent out and sponsored those statements, whereas the fact is that they were sent out by Mr. Forstmann, acting through this gentleman who was a witness before the committee advocating this bill, and who, as he said, has been occupying the same desk room here for 10 years doing service similar to this.

What does the innocent person understand who receives that letter? I leave it to you, Mr. President. But what shall we take from the communicant when he comes to us with his communication and says he is for Senate bill 162? He believes he has been approached by consumers who are interested in honest wool labeling, and he has been induced to write to us. Of what value, I ask, is that kind of material which comes to us as representing actual public opinion, founded upon facts and founded upon a knowledge of the

Before leaving the subject of consumers, to which reference has been made by those who have preceded me in their remarks supporting the bill, I desire to call attention to the fact that consumers who understand the import of Senate bill 162 are not all for the bill. Many consumers may be for the principle, as I am for it, of truth in labeling. Whenever a merchant makes a representation respecting his goods by a label, by an advertisement, or by his word of mouth, it must be truthful. If it is not, and injury flows from it, the contract may be rescinded under the law as it is today; and if damage has flowed from it, damages may be recovered for the false representation. I will go further than that. I will add to the common law which has always protected the public a statute which will implement the common law with definitions, provided the proponents of the measure do not, by means and under the guise of definitions, set up a monopoly that amounts to more than trade-mark because it has behind it a sanction of criminal prosecution.

Now listen to some of these consumers. I shall not weary the Senate with many of them:

BROOKLINE, MASS, June 25, 1939.

Hon. WARREN R. AUSTIN,

United States Senate, Washington, D. C.
DEAR SENATOR AUSTIN: I wish to protest against the passage of S. 162.

Consumers feel it will be a great injustice to them if this legislation is passed. A label giving information is to be desired. A label that is misinforming, as this label will be, is definitely not to be desired.

Consumer education is a slow process, and the prejudice that will be instinctively felt for something marked reclaimed will be most unfair, since really beautiful material can be made from reworked wool. Conversely, the sanctity and quality given to the word virgin by common usage, implies a property that may not be present in a material made of virgin wool.

Yours very truly,

MARGARET T. CAHILL.

I have selected that letter because it contains a reasonable statement. It contains an appeal to sense and reason. There are a few others here which I will ask to have inserted in the Record without reading. I ask unanimous consent that they be inserted at this point in the RECORD.

The PRESIDING OFFICER (Mr. GURNEY in the chair). Without objection, it is so ordered.

The letters are as follows:

DORCHESTER, MASS., June 21, 1939.

Senator WARREN R. AUSTIN.

United States Senate, Washington, D. C.
Dear Senator Austin: Please take into consideration my protest, as a consumer, against S. 162.
My husband earns average wages, and I clothe a family of five.

I cannot afford to buy the most expensive clothes, but must get both attractive and good-wearing garments at a modest price.

If this bill is passed I feel it will raise the price of the garments that I can afford to have, since virgin wool will be at a premium and reworked wool prices follow in trend.

Strong, durable garments can be made from reworked wool at a price the average wage earner can afford to pay. Why penalize this good material so that those who can afford to may have a label "all virgin wool" on their clothes?

Yours very truly,

MARY LEONARD.

WEST ROXBURY, MASS., June 20, 1939.

Senator Warren R. Austin,

United States Senate, Washington, D. C.

Dear Senator Austin: The school in which I teach is on the DEAR SENATOR AUSTIN: The school in which I teach is on the borderline between well-to-do and poor districts, and we have children from all sorts of homes. I am more interested in the poorer class, and for their interests watch industrial legislation.

I wish to protest against S. 162 as discriminating between classes. Because poor people cannot purchase luxury fabrics is no reason for their clothes to bear a label which to them means inferior proceduration.

merchandise.

Studying the process of woolen manufacturing I am convinced that virgin wool does not always mean good wool, whereas reworked wool does not always mean inferior wool. Besides, there is no chemical test to prove conclusively that a fiber is virgin or reworked, since both are animal fibers and chemically and physically identical. So, until there is a scientific proof, I feel that this legislation is untimely, as well as discriminating.

Very truly yours,

SARAH ANNE QUINN.

BOSTON, MASS., June 17, 1939.

Senator Warren R. Austin.

United States Senate, Washington, D. C.

Dear Senator Austin: I wish to protest against the passing of

After studying the bill, I am convinced that it is unfair to industry and misleading to consumers.

Yours very truly,

LOUISE MORRISEY.

EAST DEDHAM, MASS., June 23, 1939.

Hon. WARREN R. AUSTIN,

United States Senate, Washington, D. C.
Dear Senator Austin: I herein protest against S. 162 as discriminating legislation. It furthers the interests of the wool growers and puts the burden of increased prices upon the con-

sumers.

Retailers and manufacturers feel that it will be unfair, inasmuch as it will be impossible to enforce. When scientific tests fail to identify whether a fiber is virgin wool or reclaimed wool, how can proof be brought that a label is correct? I understand mill records will be resorted to, but does not that bring the whole issue back to the integrity of the manufacturer? If so, the increased prices of fabrics will be the only good the consumer will get from the passage of the bill.

Is this fair to the larger group of consumers—to be exploited for the good of a smaller group of wool growers?

Yours very truly.

Yours very truly,

ELLEN J. McGOWAN.

LOWELL, MASS., June 16, 1939.

DEAR SENATOR AUSTIN: As a resident of a mill city, I wish to protest against the passage of S. 162.

It is both discriminating and misleading legislation. Yours very truly,

(Mrs. P. J.) KATHLEEN LEAHY.

WASHINGTON, D. C., February 27, 1939.

Senator Warren R. Austin,

Senate Office Building, Washington, D. C.

My Dear Senator Austin: I am enclosing herewith an editorial in Capitol Daily, which appeared on February 21, 1939, which I know will prove most interesting to you, and which, I am sure, you are personally concerned about.

For your information and as one of your constituents, I take the liberty of sending you this article, which I hope you will read

and digest

and digest.

I personally have been present at this hearing on S. 162 and H. R. 944, and do hope that before a bill of this kind is railroaded through your committee that you will do everything in your power to see to it that the Senate is not used as an advertising agency for one man's fabric, namely, J. C. Forstmann (who seems to be the only one in favor of the bill).

Very truly yours,

MARIE SWANN.

Mr. AUSTIN. I have heard the claim made here that the Federation of Women's Clubs are behind this bill. Are they? Let me read a letter from one of them. I know some of them favor the bill; I have letters from some of them supporting the bill, or, rather, supporting the principle of honest labeling-and I am for the principle of honest labeling.

I have a letter here from Marion Lane Sweeney, Mrs. F. R. Sweeney, who is shown on the letterhead to be chairman of the division of social welfare of the Massachusetts State Federation of Women's Clubs. The letter is dated June 17, 1939, is addressed to me, and reads as follows:

As chairman of the division of social welfare of the State Federation of Women's Clubs, as a member of many executive boards dis-

pensing welfare in my community and State, I wish to protest against the passage of S. 162.

I feel that it is both misleading and mininforming and will react in an advance in prices to the consumers.

Women are coming more to feel that this legislation will be detrimental to manufacturers and retailers, that it is advantageous only to the wool growers and the manufacturers of luxury fabrics, and that it is impractical of enforcement if it is passed.

I believe in labeling and would support a bill to differentiate between fibers, where such fibers can be identified by scientific tests. I feel the time is coming soon when natural fibers are going to have great competition from synthetic fibers, and that this legislation, if passed, will be greatly regretted by those who now seek to support it.

seek to support it.
Senate bill 1496, introduced by Senator Walsh, seems to me far

more timely and intelligent. Very truly yours,

MARION LANE SWEENEY.

Mr. President, I have had a little insight into the claims respecting the same type of women's organizations. It is a very distinguished organization and one for which I have great respect. I do not argue from the specific to the general-I think that is one of the fallacies of logic-but I call attention to a certain specific thing which I think qualifies the support given by this particular woman's organization to which I am going to refer.

A lady called on me, because I was on the subcommittee, and advocated the support of Senate bill 162. I discussed the matter with her and pointed out the element in the bill which I claimed would create a monopoly, whereupon she made some investigations and then wrote me a letter dated May 5,

1939, which reads as follows:

Thank you so much for your time yesterday morning when I called to see you regarding Senator SCHWARTZ' bill for the labeling

called to see you regarding Senator SCHWARTZ' bill for the labeling of wool products—S. 162.

Although I feel I didn't persuade you to change your opinion to any extent, still I certainly enjoyed meeting with you and having the few minutes' talk that we did. The question which you brought out concerning monopoly in regard to this bill rather intrigued me because I had never considered it from that angle, and so, on returning to the hotel, I checked with Miss Julia Jaffray, of the New York City federation, and she states that as the result of a questionnaire sent to 125 woolen manufacturers throughout the country 29 of them are definitely in favor of the labeling of woolen material as to its content of virgin wool, reclaimed wool, cotton, and rayon. cotton, and rayon.

I am sure you will be interested to know that there are two manufacturing companies in Vermont among those who favor this legislation. Does this information by any chance soften a little your opposition to the bill as a whole? Copies of their letters to the New York City federation are enclosed.

Hoping that you will see that this bill provides knowledge as the right of every consumer, I am,

Very cordially yours,

DOROTHY KRAUS

Let me call attention to the type of questionnaire the New York City Federation of Women's Clubs sent out and the time of its sending. It was in March 1938, and the questions did not refer to a bill which defined a mark indicating virgin wool. It referred to the general subject of truth in labels. Listen to this:

The members of the New York City Federation of Women's Clubs, as purchasing agents for their homes, are vitally interested in the fiber content of the fabric merchandise which they buy. Therefore, in buying wool fabrics, we have taken the stand that we want to know whether we are buying virgin wool, reclaimed wool, or a

The federation is most anxious to know how you, as a manufacturer, feel on this subject. Would you, therefore, be kind enough to inform us on the following points:

1. Do you use reclaimed wool in manufacturing your product?

2. If you do, what percentage do you use?

3. Do you consider reclaimed wool as serviceable in a fabric as the virgin wool which it replaces?

4. And, most important, do you favor a labeling act which would require manufacturers of wool products to inform consumers whether their products contain reclaimed wool?

5. If you do not, will you please tell us why not?

May we ask for your answer at the earliest possible date? With appreciation of your cooperation,

Sincerely yours,

Mrs. (Andrew J.) KATHERINE E. NOE, President. JULIA K. JAFFRAY, Chairman, Department of Economic Adjustment.

This lady who called on me went to Mrs. Jaffray, so Mrs. Jaffray tried to help her out with some letters received from two manufacturers in Vermont which she said supported Senate bill 162.

Never was opportunity afforded anyone to throw light upon an error as there is in this instance. Let us take the Bridgewater Woolen Co. It is a manufacturer of virginwool products, and let me read their answer. It does not contain one single thing which can be said to support Senate bill 162. What it says amounts to approval of the principle, upon which I think we all agree, that there should be labeling, and that it should be honest labeling:

We acknowledge receipt of your favor of March 13, signed by the above-named members of your federation—

He has quoted the names, Mrs. Andrew J. Noe, president; Julia K. Jaffray, chairman-

Your interest in the content of woolen fabrics is an intelligent manifestation of public concern, and we feel, as makers of woolens, that you are entitled to know all about the fabrics that are sold women in coats, dresses, and other articles of apparel alleged to be made of woolen cloth.

As manufacturers of woolens with a background of almost 200 As manufacturers of woolens with a background of almost 200 years in the country, we have been guided by principles that rest upon truth in action, in production, in selling, and in dealing with our patrons. Further, we have believed that truth, as the dominant or underlying principle, would permanently survive the influences of misleading and misguided practices, however brilliantly portrayed, which are limited at most to the period when the mask is removed and the truth is disclosed.

We answer your questions frankly:

1. No.
2. This is answered by our reply to No. 1.
3. Reclaimed wool possesses no service ability of worth. It is much like gathering the broken pieces of a dish, cementing them together, and offering the reconstructed dish as a real plate. The

rewelded plate is a constant liability.

4. Yes; we are thoroughly in favor of a label, of an act compelling a declaration in truth.

While this is an answer to all of your definite questions, may we add in closing: Wool has no substitute of worth or merit. There and in closing: Wool has no substitute of worth of merit. There is no animal fiber—and certainly no vegetable fiber—that contains properties at all comparable with the properties in virgin pure wool. The fabric constructed exclusively of virgin pure wool possesses lively magnetic properties far beyond any corresponding in reworked wool, which is practically dead wool, its vitality being explanated. exhausted.

We hope this satisfactorily answers your inquiries. We assure you of our sincere desire to further assist your federation in its search for information or legislation, and we beg to remain,

Very truly yours,

BRIDGEWATER WOOLEN Co., Per R. M. SHARPE.

That is an advertisement for virgin wool. It also knocks out, as this measure is intended to knock out, anything else. Reworked wool put into a fabric is like a broken plate mended together. The Ethiopian is out of the wall. There is the best evidence we could possibly have of it. Put together a piece of legislation that will destroy the production of reworked wool in the form of gowns, coats, suits, and there will not be any competitor of the manufacturer of virgin wool. Yet this correspondent does not refer to Senate bill 162 at all. That is one letter.

The other letter was from James F. Dewey, of the A. G. Dewey Woolen Manufacturers, Creechy, Vt., a firm established in 1836, and still operating, thank God. They manufacture clothes which the poor man can buy and out of which he can get some wear. Mr. Dewey's reply was as follows:

This letter is addressed to Mrs. Jaffray:

Replying to your letter of the 13th, it is a pleasure to answer

your various questions as follows:

As the first manufacturer to use reclaimed wool in our product in this country, we would answer question 1 by saying that we have used it since 1836.

Under question 2, we use all the way from 5 to 90 percent.
Under question 3, we believe that the reclaimed wool which we use is more serviceable in a fabric than short fiber of virgin wool which it replaces. In fact, we consider it a great deal more service-able than any so-called all-wool fabric.

Answering question 4, we would say that we always have favored a labeling act requiring manufacturers to state just what percentage of virgin wool is in their product. We think the word "wool" on a fabric should relate only to virgin wool.

Evidently his principle has been carried into the language of the House bill.

We have been hurt many times by mills calling a product all wool when it was only reclaimed wool. We are willing to have our product stand on its own legs and state what it is made of and stand back of the product, but we can't compete with the public when certain chain stores call their fabric 100-percent wool when many times it is of poorer quality than ours. We do not claim ours as all wool.

Trusting this has answered your questions, I am Yours sincerely,

A. G. DEWEY Co., JAMES F. DEWEY, President.

Mr. President, it was a strange coincidence that on the same day on which I received that letter from Mrs. Kraus making the claim that these two manufacturers in my State favored S. 162, and sending the two letters to which I have referred, neither of which expressly refers to S. 162, I should receive a letter from the writer of the last letter I read, namely from James F. Dewey, which is dated May 25, 1939, and the first half of which reads as follows:

Replying to yours of the 24th, I have read the new bill known as the Wool Products Labeling Act. I agree with you that it is all foolishness. If they ever try to enforce it, it will cost them more than they will ever get out of it, and the public won't be helped one bit. Your minority report has said everything that I think anyone could say. I appreciate your efforts, although they probably won't help any, as they seem to pass anything that they want to down there.

Mr. LODGE. Mr. President, will the Senator yield? Mr. AUSTIN. I yield.

Mr. LODGE. I have been called out of the Chamber several times during the afternoon, and so do not know whether an answer has been given to the question propounded by the Senator from Maine [Mr. WHITE] as to whether the establishment of these standards for American woolen goods and the failure to establish them for foreign woolen goods would result in foreign importations and the displacement of the American wage earner and producer.

Mr. AUSTIN. Mr. President, I will try to answer the question specifically. I think the same standards are established by the bill for imported goods as for domestic goods. That is not the trouble. The trouble is that if, after the goods have been manufactured into a fabric, there is no scientific way by which a test may be made to ascertain the proportion of virgin wool and the proportion of reworked unused wool-that is wool that has been fabricated but not worn by the ultimate consumer, and has been pulled apart and put into new fabric-if what those ratios are and what the percentages are in the fabric, cannot be ascertained, it is impossible to enforce the standard. In other words, if it is necessary to go to the manufacturer to find out the quantity of virgin wool in a fabric, the quantity of reworked wool in a fabric, the quantity of other fibers in a fabric, it may perhaps be necessary to travel around the world in such a search.

Mr. LODGE. It is possible to go to the American manufacturer, but not to the foreign manufacturer.

Mr. AUSTIN. That is true. Another thing is involved in the question. I have been talking about garments, piece goods, products of wool that are fabricated for consumption; but a great amount of the competition with the wool growers of America is not that type of importation. It is rags, and it is goods that may never have been worn, but nevertheless are second-hand and are intended to be reworked. As shown here, the importation of rags has increased greatly since the New Deal trade agreement went into effect in January. The increase has been 1,397 percent in quantity and 938 percent in dollar value. The bill contains a description of what imported material is subject to the regulations provided for in the bill, as follows:

All wool products imported into the United States, except those made more than 20 years prior to such importation.

How in the world is it possible to tell from a carload or shipload of rags whether they were made 20 years ago or not?

Mr. LODGE. Then would I be correct in saying that in effect the bill imposes standards on American producers that are not imposed on foreign producers?

Mr. AUSTIN. That is one way of stating the matter, although the text of the bill was designed to establish the same standard for both types of goods.

Mr. LODGE. The letter of the law is one way but the spirit of the law is another.

Mr. AUSTIN. That is quite true. But I also claim-and I want to say it now, for, although it is repetition, it is purposeful repetition-that for the same reason the bill, if enacted, could not be enforced domestically.

Mr. LODGE. May I ask the Senator a further question? Is not this proposition very similar to what we have seen attempted before, in the wage-hour legislation, for example, which I, for one, favor? We try to raise the standards at home; we try to raise them for the employee; we try to raise them for the consumer-with which I am in sympathy-but, of course, we cannot impose those standards on foreigners, and we refuse to provide any tariff protection to protect the American worker against substandard competition. The net result is we try to go in two opposite directions at the same time, and, to my mind, that is a tragic contradiction which can help no one in the long run.

Mr. AUSTIN. I thank the Senator for stating what he has stated, with all of which I agree. I think it affords a good reason why Senate bill 162 should not be passed.

Mr. President, I have material from manufacturers which I feel I should not take the time to discuss or read but which I should like, by unanimous consent, to have inserted in the

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

I think the woolen manufacturers are not so much opposed to the intent of the bill to prevent fraud to the public, but we feel very intent of the bill to prevent fraud to the public, but we feel very firmly that the terms of the bill may increase fraud rather than decrease it, principally because it is impossible through any adequate tests to determine approximately the content between virgin wool and woolen shoddy. I enclose the pamphlet which has just been put out by the National Association of Woolen Manufacturers showing a critical examination by the United States Testing Co. of the relation of virgin-wool content in fabric merit. If you will go through this carefully you will find that, on the whole, 100 percent virgin-wool fabric will be better than 100 percent shoddy fabric. However, as the percentages of virgin wool go down quite the reverse is true. The term "virgin wool" is a very elastic one, and covers some very undesirable short fibers which do not make good fabric. On the other hand, some of the woolen stock which has been called shoddy, or reworked wool, is of the very finest variety fabric. On the other hand, some of the woolen stock which has been called shoddy, or reworked wool, is of the very finest variety and will make a beautiful piece of goods which will give wonderful satisfaction to the purchaser. There is a further matter of reputation of the mill for making good goods, the number of picks per inch (that is, the number of threads of filling across the fabric), the number and fineness of the warp threads, and the question of whether or not the pieces have been napped finely or roughly, which in the most part determines the strength of the finished piece of goods.

All of this is more or less technical and has a direct bearing on the merits of this legislation. The one point which I personally

the merits of this legislation. The one point which I personally very much object to is the fact that it is known that there is no method of examination of a fabric to determine whether the per-centage of virgin wool or reworked wool is correct. This being the centage of virgin wool or reworked wool is correct. This being the case, the honest company will be at a great competitive disadvantage with the dishonest people, who will be inclined to put on percentages of virgin wool which may not be true and which cannot be verified by examination. The only alternative to prevent this is to have inspectors in every woolen mill to see that the labeling is properly done, and this is abhorrent to our Vermont ideals. Possibly I have no right to speak for the woolen mills of Vermont, because we have no organization. However, I feel sure that I represent the unanimous opinion of the Vermont woolen mills

I represent the unanimous opinion of the Vermont woolen mills in this statement.

I hope you find this information beneficial to you in making your decision as to your action in regard to this. With best regards, I am,

Sincerely yours,

This matter of labeling is an important one, and unquestionably means a lot to every textile manufacturer in Vermont. I think no one objects to a label which can be backed up by a laboratory test, but to pass a law making certain requirements when there is no way of establishing definitely whether the requirements are or can be made seems to me to be placing a very substantial premium on chiseling and migrapresentation. chiseling and misrepresentation.

Is there any possibility of introducing a substitute bill, as suggested by Mr. Besse?

Respectfully yours,

RAY ADAMS.

BENNINGTON, VT., February 24, 1939.

Hon. WARREN R. AUSTIN, Senator from Vermont,

Senate Office Building, Washington, D. C.
DEAR SENATOR AUSTIN: We wrote you yesterday in reference to

Dear Senator Austin: We wrote you yesterday in reference to the textile labeling bill.

We could not express in a letter all the arguments against this bill. We enclose herewith copy of the American Wool and Cotton Reporter, dated February 23. This explains in detail what a manufacturer will be up against. The bunk that is being put forth by one or two manufacturers is most deceptive. We refer in particular to the Forstmann arguments. These people get enormous prices for their merchandise. The average workman could not possibly buy same. Other mills imitate the merchandise, and, of course, the consumer knows that he is not getting the high-priced merchandise that Forstmann makes. We do not know anything about it, but we think that a mill operated by such people as Jim Dewey, of Quechee, could not get by on such drastic legislation.

THE H. E. BRADFORD CO., INC., D. J. KEELER.

Mr. WHITE. Mr. President, I wanted to refer to an entirely different matter than that the Senator is now discussing. Shall I wait, or would the Senator rather have me do so at this time?

Mr. AUSTIN. I shall be glad to yield.

Mr. WHITE. I am troubled as to the meaning of section 3 specifically. I desire to ask a question about the language in line 3, on page 4, "who shall receive from or through commerce." If I go to a store in the city of Washington and buy a fabric from a merchant here, have I received merchandise "from or through commerce" within the meaning of this section?

Mr. AUSTIN. I cannot answer that question. I do not think it is capable of being answered.

Mr. WHITE. The reason why I ask the question is that I find this language under the heading "Misbranded wool products":

SEC. 4. (a) A wool product shall be misbranded—
(1) If it is falsely or deceptively stamped, tagged, labeled, or otherwise identified.

(2) If a stamp, tag, label, or other means of identification, or substitute therefor under section 5, is not on or affixed to the wool product and does not show—

(A) The percentage of the total fiber weight of the wool product, exclusive of ornamentation not exceeding 5 percent of said total fiber weight, of (1) virgin wool; (2) reclaimed wool; (3) each fiber other than wool if said percentage by weight of such fiber is 5 percent or more.

And so forth. Then further it shall be misbranded if it does not contain-

(C) The name of the manufacturer of the wool product and/or the name of one or more persons subject to section 3 with respect to such wool product.

(3) In the case of a wool product containing a fiber other than wool, if the percentages by weight of the wool contents thereof are not shown in words and figures equally conspicuous with any trade name, pictorial representation, term, or descriptive name, suggesting or implying the presence of wool, used in connection with such wool product.

(4) In the case of a wool product represented as virgin wool, if the percentages by weight of the virgin wool content thereof are not shown in words and figures.

And so forth. What I want to know specifically is, if I buy from a merchant a fabric or a suit of clothes, is there an obligation on me to ascertain and to know whether or not all that information is stamped, tagged, or labeled on the article which I am buying; and if it is not so marked, and I buy the fabric in the absence of all that information, do I come within the terms of the bill?

Mr. AUSTIN. I think if one assumes that the distinguished Senator bought it as an ultimate consumer, he would not come within the terms of the bill.

Mr. WHITE. Let us assume, then, that I am a tailor, and buy the fabric for the purpose of further fabrication. Must I look over every piece to see that all that information is on the fabric?

Mr. AUSTIN. Mr. President, my answer would be "No." I interpret the phrase which relates to intrastate business to refer to retailers, although it does not so state.

Mr. WHITE. I was about to say it does not so state. Apparently it applies to anyone "who shall receive from or through commerce, and having so received shall resell or deliver for pay, or offer to resell or so deliver to any other person, any such wool product."

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. SCHWARTZ. It will be noted that the provision refers to a person who receives the goods through commerce and then offers them for sale. I will say to the Senator that the language is the same as that used in the Pure Food and Drugs Act. The language of that act has been adopted in the bill. I may add, of course, that any violation of section 3 under the terms of the criminal clause must be a willful violation, which implies an intent to violate the act.

Mr. AUSTIN. Mr. President, referring to the same clause on page 4, lines 2 to 5, I inform the distinguished Senator from Maine that the House of Representatives excluded that language from the text of House bill 944, which was reported from the Interstate Commerce Committee of the House on June 14, and which is today on the Union Calendar of the House. Mr. MARTIN of Colorado, the author of the bill, has asked the Rules Committee for a rule so that it may be considered by the House.

There are certain other differences between the House bill and the Senate bill which point to some of the most objectionable things in the Senate bill. For example, the classification of virgin wool or the label "virgin wool" on page 2 of Senate bill 162 does not appear in the House bill at all. In the House bill the language of subsection (d) of section 2 of the Senate bill with respect to reclaimed wool is stricken out, and there is a substitute for it in two subsections, the first of which reads as follows:

(c) The term "reprocessed wool" means the resulting fiber when wool has been woven or felted into a wool product which, without ever having been utilized in any way by the ultimate consumer, subsequently has been made into a fibrous state.

The second subsection to which I refer reads as follows:

(d) The term "reused wool" means the resulting fiber when wool or reprocessed wool has been spun, woven, knitted, or felted into a wool product which, after having been used in anyway by the ultimate consumer, subsequently has been made into a fibrous state.

It will be observed at once that there is a distinction between the two. In the one case we have a wool which has never been on the back of a human being. It may have been left unsold on the merchant's shelves, or it may have been a clipping from a tailor's establishment. Then there is the classification of reused wool, which is really second-hand wool. It is wool which has been used by the ultimate consumer. These classifications are not subject to the objection which I have endeavored to make against the classification of virgin wool, for the reason that there are many factors which afford a market to the vendors of each of these classifications of wool, and a great group of consumers afford the market for the finished product. They are the persons with whom we are mostly concerned.

I have no fear that those who can afford luxury products will be unable to obtain them. A man can wear but one collar at a time, whether he be as rich as Croesus or as poor as a beggar; but he can obtain the style and quality of collar he wishes because he has the price to pay, no matter how small an opportunity there may be for him to obtain it. However, a man like myself, who must wear less expensive clothing, would find himself in a very bad way if there were a monopoly on very finely fabricated collars, and the price had been raised by reason of the United States placing on the collars a label which no competitor of the manufacturer could possibly live up to.

Mr. President, I wish to conclude shortly. I know I have inadequately discussed this matter, but I have undertaken to show reasons why I think the great agricultural organi-

zations are being misled through the propaganda of those who would profit from the monopoly sought to be created by the bill. I think their hopes would prove to be delusions. I think they would have less of a market for their virgin wool, and therefore they would have to take a lower price for it than before; and they would run into competition with synthetic substitutes for wool, from which competition they do not now suffer.

Although this type of control over agriculture is indirect, its effect is complete. The production of substitutes for wool would be stimulated. The agricultural organizations would rue the day they ever permitted their Government to obtain such a strangle-hold upon their business as Senate bill 162 would create. They do not seem to realize that, though the bill deals primarily with the manufacturer and the merchant, ultimately it would reach the man who herds the sheep. He is the man who would feel the repercussion. It would all come back on him. The effect would be lower prices, less demand, a narrowed market, and greater competition from substitutes.

There is another consideration from the public-welfare point of view, which causes me to oppose the bill, and that is the destruction of an essential raw material which it involves. It anathematizes the raw material which we call wool waste to such an extent that wool waste, as a secondary material for the manufacture of garments in this country, would pass out. It would not be available to the manufacturers, and therefore would not be available to the consuming public. The bill, by putting a premium on virgin wool, as it does, would discourage the use of reprocessed wool and reused wool, and through economic pressure, would absolutely force the exportation of our rags to foreign countries.

The calamity of that situation can be evidenced by the following question: How in the world could the United States clothe its Army in time of war without this essential secondary raw material? Without a supply of rags and reused and reprocessed wool we could not, without the most extraordinary expense, clothe the United States Army.

Mr. President, one good reason is sufficient; and I have probably branched out more than I need to have done. The one good reason in this case happens to be that the bill would create an injurious monopoly and, therefore, would be evil in its consequences. For that reason, if for no other, it should not be passed.

# EARMARKING OF TAXES FOR OLD-AGE PENSIONS

During the delivery of Mr. Austin's speech,

Mr. LODGE. Mr. President, on the calendar is Senate Joint Resolution 145, introduced by the senior Senator from Florida [Mr. Andrews] and myself, which I hope will come up for consideration in the near future.

Several Senators have asked me about the constitutional need for an amendment giving Congress the power to levy taxes for old-age assistance.

Of course, the question of constitutional need is of the utmost importance and is one reason for this proposed legislation. There are two other needs for it. One is to enable the testing of public opinion on the question, and the other is having the power of Congress to levy taxes for old-age assistance written into our fundamental law.

In order to elucidate the question of constitutional need and to show that there is a grave doubt in the minds of wellqualified persons as to the power of Congress to levy taxes for a specific purpose, I ask that a memorandum which I have prepared be printed as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The memorandum is as follows:

There still exists considerable doubt as to the validity of ear-There still exists considerable doubt as to the validity of earmarking taxes for a specific purpose. Many informed people believe that such a tax (e. g., for old-age assistance) is not a "true" tax but rather an "exaction" or "appropriation of money from one group for the benefit of another," which is in violation of the dueprocess clause. They maintain that such taxes are not levies "for the support of the Government," but are being used to pay pensions to specific individuals.

This constitutional amendment (S. J. Res. 145) has been intro-

duced in order to resolve this grave doubt.

Evidence that this important constitutional problem remains

(1) There is no judicial decision which meets the particular (1) There is no judicial decision which meets the particular problem embodied in Senate Joint Resolution 145 foursquare.
(2) Professor Corwin, in his book The Twilight of the Supreme Court, page 176, wrote:
"So long as Congress has the prudence to lay and collect taxes

"So long as Congress has the prudence to lay and conect takes without specifying the purposes to which the proceeds from any particular tax are to be devoted, it may continue to appropriate the national funds without judicial let or hindrance."

(3) The Social Security Act of 1935: Experts who assisted in the drafting of this measure clearly indicate that the separation of the benefit provisons in title II from the taxing provisions was dictated by constitutional considerations.

by constitutional considerations.

(a) Prof. J. Douglas Brown in his article, The Development of the Old-Age Insurance Provisions of the Social Security Act in Law

the Old-Age Insurance Provisions of the Social Security Act in Law and Contemporary Problems, volume 3, page 193, wrote:

"The development of a formula for Federal action within constitutional limitations was early recognized as the key to a sound solution to the problem. The proposal to separate the contribution and benefit features of one legislation into two separate measures based on the taxing and appropriation powers of the Federal Government, was advanced early in the deliberations of the staff and the technical board. The absence of any need for elaborate regulatory material in either measure gave basis for the hope that the courts would not question the exercise of these broad Federal

the courts would not question the exercise of these broad Federal powers if clear-cut separation were possible. The staff was bolstered in this hope by the approval of the plan by a number of outstanding students of constitutional law.

"The drafting of two distinctly separate titles covering the tax and benefit fortures of the proposed system provided a difficult

and benefit features of the proposed system proved a difficult task. Since the contributions, now taxes, were necessarily covered into the general funds of the Treasury, some formula had to be developed for the reapportionment of an equivalent amount from general funds to an old-age reserve account. \* \*

"As a result of this necessary adjustment to the exigencies of constitutional law, the character of the scheme was fundamentally different from that first considered by the staff."

(b) Prof. Paul H. Douglas in his book, Social Security in the United States, wrote regarding compulsory old-age insurance (p. 157).

"The taxes or contributions required to provide the necessary funds are levied under title VIII of the bill, while the scale of monthly annuities and benefits is specified under title II. Here, as in the unemployment insurance features of the bill, the revenue portions are separated from the sections which appropriate money because of the belief that this will enable the act better to run the

constitutional gamut."

Page 320; "Perhaps the weakest section of the Security Act from a constitutional standpoint is that which provides for mandatory old-age insurance. While title VIII, which levies taxes upon emold-age insurance. While title VIII, which levies taxes upon employers and employees, is formally distinct from title II, which prescribes the scale of benefits to those over the age of 65 and to the heirs of the deceased, there is in fact a close and immediate connection between them. The individual benefits to be paid are computed upon the basis of the contributions or taxes levied and upon nothing else. It will undoubtedly be charged that these titles of the act in effect, therefore, prescribe the specific purpose for which the tax is levied, and that they are consequently unconstitutional since they launch the Federal Government into the performance of functions not specifically delegated to it by the Constitution. There is certainly very real danger that such may indeed be the fate of this feature of the act."

(4) The 1939 amendments to the Social Security Act: That there is still doubt as to the constitutionality of earmarking tax pro-

(4) The 1939 amendments to the Social Security Act: That there is still doubt as to the constitutionality of earmarking tax proceeds for a special purpose is indicated by this latest old-age measure. The device of using funds in the General Treasury rather than unquestionably earmarked tax receipts is continued here. (5) U. S. v. Butler (56 Sup. Ct. 312, 1936): As said by Mr. Justice Roberts in delivering the opinion of the Court in the A. A. decision with respect to processing taxes levied upon processors, the proceeds of which were to be paid to certain producers of agricultural products:

the proceeds of which were to be paid to certain producers of agricultural products:

"A tax, in the general understanding of the term, and as used in the Constitution, signifies an exaction for the Government. The word has never been thought to connote the expropriation of money for one group for the benefit of another."

(6) Mr. Justice Cardozo, speaking for the Court, in declaring the Social Security Act to be constitutional, neatly avoided the important question of earmarking. This is sufficient reason to cast doubt on the whole question. He said:

"Third. Title II being valid, there is no occasion to inquire whether title VIII would have to fall if title II were set at naught.

"The argument for the respondent is that the provisions of the two titles dovetall in such a way as to justify the conclusion that Congress would have been unwilling to pass one without

that Congress would have been unwilling to pass one without the other. The argument for petitioners is that the tax moneys are not earmarked, and that Congress is at liberty to spend them

are not earmarked, and that Congress is at liberty to spend them as it will. The usual separability clause is embodied in the act, section 1103.

"We find it unnecessary to make a choice between the arguments, and so leave the question open."

(7) Robert Jackson, then Assistant Attorney General, arguing the Government's case in Seward Machine Co. v. Davis (301 U. S. 548), which involved the unemployment compensation features of the Social Security Act (titles IX and III), gave careful consideration to this problem. In his oral argument, he said:

"The relation of this tax to the appropriation is entirely unestablished, either by the act itself or by the facts in the case. In the first place, the appropriation under section 301, if it be construed as an appropriation, began before the tax was payable. The appropriation is not measured by the proceeds of the tax. The tax is not earmarked for this purpose. There is no equivalence between the amounts set aside by this section and the proceeds of the tax."

Mr. ANDREWS. Mr. President, in reference to the joint resolution to which reference has been made by the junior Senator from Massachusetts [Mr. Longe], I will say that 2 days ago I gave notice that I would today ask unanimous consent to discuss that joint resolution. The joint resolution was favorably reported by the Committee on the Judiciary, and is now on the Senate Calendar. This morning we find that the so-called truth-in-fabrics bill is the unfinished business, and that it has the right-of-way for today. So I give notice that tomorrow I shall undertake to have Senate Joint Resolution 145 considered by the Senate.

#### TRUTH IN FABRIC

The Senate resumed the consideration of the bill (S. 162) to protect producers, manufacturers, distributors, and consumers from the unrevealed presence of substitutes and mixtures in spun, woven, knitted, felted, or otherwise manufactured wool products, and for other purposes.

The PRESIDING OFFICER. The question is on the first amendment reported by the committee, which will be stated.

The LEGISLATIVE CLERK. On page 2, line 3, it is proposed to strike out "shall" and insert "may."

Mr. THOMAS of Oklahoma. I suggest the absence of a

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Downey	King	Reed
Andrews	Ellender	La Follette	Russell
Ashurst	Frazier	Lee	Schwartz
Austin	George	Lodge	Schwellenbach
Bailey	Gerry	Logan	Sheppard
Bankhead	Gibson	Lucas	Shipstead
Barbour	Gillette	Lundeen	Slattery
Barkley	Glass	McCarran	Stewart
Bone	Green	McKellar	Taft
Borah	Guffey	McNary	Thomas, Okla.
Bridges	Gurney	Maloney	Thomas, Utah
Bulow	Hale	Mead	Tobey
Burke	Harrison	Miller	Townsend
Byrd	Hatch	Minton	Truman
Byrnes	Hayden	Murray	Tydings
Capper	Herring	Neely	Vandenberg
Chavez	Hill	Norris	Van Nuvs
Clark, Idaho	Holman	O'Mahoney	Wagner
Clark, Mo.	Holt	Overton	Walsh
Connally	Hughes	Pepper	Wheeler
Danaher	Johnson, Calif.	Pittman	White
Davis	Johnson, Colo.	Radcliffe	Wiley

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. A quorum is present.

## LOANS FOR SELF-LIQUIDATING PROJECTS

Mr. BRIDGES. Mr. President, I understand that the Banking and Currency Committee are soon to report a bill embodying Mr. Roosevelt's recommendations for a new spending-lending policy. This spending-lending policy, which has been in full operation by the New Deal for over 6 years, has taken us a long way along the road to national bankruptcy. Of course, a great, rich country like the United States may go in debt to meet an emergency; but the theory adopted by the New Deal administration of creating deficits, borrowing money, and spending money to create prosperity is based on an unsound philosophy of government.

In an address at Pittsburgh on October 19, 1932, Mr. Roosevelt, as a candidate for the Presidency, said:

We find that the expenditure for the business of Government in 1927 was \$2,187,000,000 and in 1931 \$3,168,000,000.

That, my friends, represents an increase of actual administrative spending in those 4 years of approximately \$1,000,000,000, or, roughly, 50 percent; and that, I may add, is the most reckless and extravagant pace I have been able to discover in the statistical record of any peacetime government anywhere any time.

That was Candidate Roosevelt speaking.

By comparison the record shows that the expenditures under President Roosevelt in 1935 were \$7,375,825,000, and in 1939 they were \$9,268,338,000—quite a jump from the recklessness and extravagance of 1931 so bitterly criticized.

At the present time the Government is spending at the rate of \$23,000 per minute and going in the hole at the rate of about \$11,000 per minute. The fallacy of this program is perhaps best and most simply illustrated by the statement made by the distinguished Senator from Mississippi [Mr. Harrison], when he recently said, in effect, that a government can no more spend its way to prosperity than a drunken man can drink himself sober.

We are now spending at the rate of approximately \$10,000,000,000 per year. The national debt now exceeds \$40,000,000,000. In addition we have a contingent liability of several billion dollars more.

In a recent debate the Senator from Michigan [Mr. Vanpenberg] said:

Our net deficit from 1931 to 1938 actually totaled more than all the deficits of all the other major nations of all of the world combined for the same period.

That is a most significant statement. It is a striking coincidence that on March 10, 1933, the President stated that—

Most liberal governments are wrecked on the rocks of loose fiscal policy. We must avoid this danger.

The annual interest charge on our national debt alone is over \$1,000,000,000 per year. If we were to initiate a policy of paying the current interest and decreasing the debt and principal \$500,000,000 per year, it would take one-fourth of our entire national income for nearly a century, or approximately 90 years.

The administration today is conducting this Government on a financial policy that is designed to rob the unborn. That is a terrific indictment. Now the President comes forth with a new type of spending-lending plan. There is really nothing new about it. We have already tried out these lending-spending plans. We have set up governmental corporations and spending agencies before. These now have liabilities of \$13,145,000,000. As the President proposed this plan. it called for spending \$3,860,000,000, a sort of self-liquidating loan program, so-called. It has now been reduced to between a two- and three-billion-dollar project. It is not a true self-liquidating plan but just another pump-priming spending project. Certainly on our past record we have not so far liquidated any of our spending-lending agencies. This new scheme is being started for the purpose of laying a foundation to win the 1940 election. It is just another Roosevelt plan to endeavor to buy prosperity after successive failures of the same extravagant methods. It is a subterfuge to avoid raising the present \$45,000,000,000 debt limitation. These loans would not appear as liabilities on the Treasury's books. They would be camouflaged, but they would be obligations of the American people just the same. The program is perhaps best called simply a spending-by-deception program.

This is a far cry from the speeches and the pledges of Candidate Roosevelt. What the country needs is private spending, not Government spending. It needs policies that will encourage spending billions of dollars of private funds in productive enterprise. The proposed new program will accomplish little of permanent value and will bring us one step nearer a socialized state.

The New York Times recently referred editorially to the President's newest lending-spending plan as sheer magic:

Here is a proposal to buy nearly \$4,000,000,000 worth of new homes, roads, bridges, power lines, railroad cars, and other things, yet it is said the plan will involve no out-of-pocket cost to the Government, that it will have no effect on the Federal Budget, that it will add nothing to the national debt, a miracle indeed.

In other words, in the arithmetic of the New Deal, two and two no longer make four.

The New Deal administration has adopted a peculiar philosophy, an interesting state of mind, for its representatives now argue convincingly that every time we go backward financially we progress forward socially and economically. Even a child knows at a glance the fallacy of this philosophy.

Mr. President, I ask permission to insert in the Record, as part of my remarks, a quotation from an editorial published in the Kansas City Times of June 23, 1939; a brief quotation from a Boston Herald editorial of June 23, 1939; a quotation from an editorial in the Christian Science Monitor of June 23, 1939; and a quotation from an editorial in the Providence Journal of June 23, 1939.

There being no objection, the extracts from the editorials referred to were ordered to be printed in the RECORD, as follows:

Kansas City Times: "There are, of course, some sound projects in those listed. But only an irrepressible optimist can see anything but heavy losses in most of them. In the long run, the taxpayers will be called on to foot the bills, and the national debt will have shot up with the nump still unprimed." (June 23, 1939)

will be called on to foot the bills, and the national debt will have shot up with the pump still unprimed" (June 23, 1939).

The Boston Herald: "After 6 years of emergency spending unequaled for magnitude and variety by this or any other nation, President Roosevelt again urges salvation by extravagance—and this time as 'a permanent policy of the Government.' \* \* \* The Nation could have survived the packing of the Supreme Court, even though it would be a cheapened and a weakened Nation. But another huge program of spending, accelerating the feverish pace which the President has set already, would bring on the gravest crisis since the Civil War. We would emerge from our agony, of course, just as we came out of 4 years of devastating war, but not with the principles by which we have guided ourselves for a century and a half" (June 23, 1939).

Christian Science Monitor: "The alternative to such a program

Christian Science Monitor: "The alternative to such a program as the President suggests would be to recognize some of the other side of the picture that has been presented to the Temporary National Economic Committee along with the arguments for a divided Budget and continued spending, namely, the evidence that relaxing of some of the restrictive conditions on investment would facilitate and bring about a natural flow of the capital investment which the administration is trying to induce or compel by Government banking. May it not be that there is more need now for this kind of investing than for huge public works programs which tend to make Uncle Sam permanently the investment banker for the country?" (June 23, 1939).

which the administration is trying to induce of comparing the ment banking. May it not be that there is more need now for this kind of investing than for huge public works programs which tend to make Uncle Sam permanently the investment banker for the country?" (June 23, 1939).

Providence Journal: "The public should understand, first of all, that the plan is no more than a dodge to take Mr. Roosevelt's spending outside of the Budget and to avoid the \$45,000,000,000 limitation which Congress has placed on the Treasury's outstanding debt. \* \* But if there is danger to the Government's credit, there also is grave danger to American business and industry, for there is no doubt that the scheme is the first step in a well-conceived plan to rule the country's economy. The complete socialization of industry is one of its great possibilities" (June 23, 1939).

Mr. BRIDGES. Mr. President, I know that to many of the Senators who occupy seats in this body this is a new avenue in their minds for the promotion of prosperity. To my mind it seems a very backward step. I can appreciate that there are some in the present administration, there are some Members of this body who by advocating certain schemes are fast making of this country a socialized state. They are in the same boat with some of the extreme left-wing radicals in this country.

I for one do not want to be numbered among them, and I believe that one of the things which should be done at the present time is to call the attention of the public to this new scheme, this deceptive spending scheme.

Mr. MINTON. Mr. President, while we are considering a "truth" bill, I think we might just as well have a little truth in politics.

Numerous attempts have been made by Republican leaders to circulate throughout the country, after it has been presented in the Congressional Record, propaganda detrimental to the New Deal economic program. The figures in most instances have been taken from private publications.

After 12 long years of Federal power, the Republican Party went out of power in 1933 leaving American agriculture on the verge of bankruptcy and ruin.

During this 12-year period—from 1921 to 1933—the Republican Party failed to enact a single measure designed to protect the farming population from the ruination which impended. The warnings of farm leaders that drastic action was needed were scoffed at and ignored.

When the Roosevelt administration came into power in 1933 immediate steps were taken to rescue agriculture. Figures tell the story.

By 1932 gross farm income had fallen 57 percent from its earliest peak, to only \$5,562,000,000, the lowest on record. Farm prices as a whole had fallen by a tremendous percentage.

Between 1932 and 1938, with the Roosevelt administration in office, gross farm income rose 66 percent, a sheer increase of \$3,658,000,000. Farm prices jumped 86 percent.

Hoping to cover up their own failure to help agriculture, the Republicans are now circulating erroneous price figures and doctored statistics to confuse the voting public. They are trying to show that farmers were better off under Mr. Hoover than they are under the Roosevelt administration. But once again figures tell the story.

The following tables give comparative prices of farm products during the last 3 years of the Hoover administration and the first 5 years of Roosevelt, and are taken from official

Commodity	Unit	1933-37 average	1930-32 average
Wheat Corn Oats Barley Rye Cotton Butterfat Chickens Eggs Beef cattle Veal calves Lambs Hogs Potatoes Wool	Bushel. Bushel. Bushel. Bushel. Bushel. Pound. Pound. Pound. Pozen. Hundredweight. Hundredweight. Hundredweight. Hundredweight. Bushel. Pounds.	\$0. 883 .712 .386 .565 .647 .109 .270 .133 .194 5. 31 6. 36 8. 48 7. 05 .763 .241	\$0, 481 .411 .230 .318 .355 .092 .257 .154 .194 5.61 7.31 5.36 4.69 .591 .139

Mr. BRIDGES. Mr. President-

The PRESIDING OFFICER (Mr. Lodge in the chair). Does the Senator from Indiana yield to the Senator from New Hampshire?

Mr. MINTON. I yield.

Mr. BRIDGES. The Senator says Republicans have been circulating these figures. Who does he mean are circulating these figures? Republicans is a pretty indefinite term.

Mr. MINTON. I have in mind one Republican Representative from my State, who inserted in the RECORD some figures which had been tabulated by a Republican editor up in the dark corner of Indiana, a man who ran for the United States Senate last year and was defeated. That is one of them I have in mind. I could refer the Senator to others.

Mr. SCHWELLENBACH. Mr. President, I think the Senator from Indiana is mistaken in saying that nothing was done under the Republican administration about the farm problem. It happened that this morning I held a hearing in the Committee on Agriculture and Forestry on a bill introduced in an effort to set aside a fraud perpetrated upon the farmers of the States of Minnesota, North and South Dakota, and Montana during the Republican administration. It was described by one of the witnesses who appeared before the committee as constituting, in his opinion, the most reprehensible treatment any citizen of the United States had ever received, so far as his study of American history disclosed. It was to be expected, since the Republican Party fostered and protected stock frauds in Wall Street and in all parts of the country, that they would participate in a little stock fraud of their own.

Mr. BRIDGES. Mr. President, will the Senator from Indiana yield?

Mr. MINTON. I yield to the Senator. Mr. BRIDGES. I wanted to ask the Senator from Washington whether by stock frauds he meant President Roosevelt's attempt to foist Argentine beef on the American Navy at the expense of American stockmen.

Mr. SCHWELLENBACH. I was not referring to that kind of stock; I was referring to the kind of stock which was so prevalent during the Hoover and Coolidge administrations. the kind of stock that was sold to the widows and orphans in this country at anywhere from 10 to 100 times its value, the kind of stock that had behind it only a lot of wind and air and water. That is the kind of stock that was so popular under the Republican administration.

Mr. BRIDGES. It had the same qualities behind it that are behind the New Deal, in other words.

Mr. SCHWELLENBACH. If the way in which the people of this country have been treated during the last 51/2 years is to be compared with the kind of treatment they received under the Republican administration, I will be glad at any time to debate with the Senator from New Hampshire about the respective treatment given the American people.

Recurring to the agricultural question, it will be remembered that in 1928, in addition to raising a lot of religious and other issues, Mr. Hoover told the American farmers that he was going to solve the farm problem for them, that he was going to call the Congress into special session. Congress was called into special session, and the most disastrous thing that has ever happened to agriculture resulted from the calling of that special session, which the farmers understood was to deal only with agricultural products, when the Smoot-Hawley tariff bill was passed. While the tariff duties on agricultural products were raised a little, the duties on everything else was increased 10 or 12 times as much as the benefits received by the farmers, with the result that the farmers were compelled to pay much more for the things they bought than they received in protection under the nebulous provisions of the agricultural sections of the Smoot-Hawley tariff bill.

In addition to that, the Republicans established the Federal Farm Board, and Mr. Hoover recommended that to the farmers of the country. He had sent out to the wheat area a former Governor of the State of Nebraska-and I am merely citing the testimony that was given before our committee this morning-who visited the States of North and South Dakota and Montana and Minnesota, and told the people of that region that if they really wanted to get the great and beneficent benefits of the Hoover farm program. the thing they should do would be to buy stock in the Northwest Grain Association. The Northwest Grain Association was established in the year 1930, and the stock was sold by taking notes of small-business men and farmers in the Northwest section. The notes were very similar to notes received by other stock promoters in the country. They were installment notes, payable a certain amount down, and a certain amount every month and every year.

In 1931 the same Hoover Farm Board, acting through the agency of the organization which they had set up, the Northwest Grain Association, took away from that association, which they controlled, all the power the association had to be of assistance through cooperative methods, and having practically forced the farmers to buy stock in the association, they then wrecked the association, and made it futile and impotent, and made it impossible for the association further to function. Then they proceeded to attempt to collect on the notes which they held as a result of inducing these poor farmers to buy them on the understanding that that was the only way in which they could get assistance from the Federal Government.

I submit, therefore, that the Senator from Indiana is entirely mistaken when he says that the Republican Party did not pay any attention to agriculture. They used the same sort of methods with the farmers they used with all other kinds of investors; they attempted to milk them out of their savings.

Mr. BRIDGES. Mr. President, will the Senator from Indiana yield?

Mr. MINTON. I yield.

Mr. BRIDGES. I should like to ask the Senator from Washington if he is very proud of the New Deal's administration over the last 6 years, insofar as agriculture is concerned, the very consistent record they have had, one policy persevering down through the years without any exception? Regimentation, controlled production, loss of foreign markets, and the like.

Mr. SCHWELLENBACH. Let me answer the question in the affirmative. When I think of the methods which the Republican Party used, starting out in 1921, when the farmers received the greatest blow they have ever received, when, under the Harding administration, we were told we were to go back to normalcy, and farm prices were reduced, as they were, under the policy of deflation which went into effect at that time, which has been so ably depicted and explained to us on several occasions by the distinguished Senator from Oklahoma [Mr. Thomas]—when I think back to the promises made by Mr. Hoover in 1928, the complete breach of faith to the farmers by the Republican Party after making those promises and securing the support of the farmers upon the basis of the promises—and when I then think of everything that has been done by the present administration from 1933 on, by way of comparison it is a shining light of beauty; it is something of which we may be profoundly and everlastingly proud.

The Senator speaks of changes in policy. If the Senator knew anything about this subject-as he does not; he does not knew any more about agriculture than he does about anything else-if he knew anything about it, he would appreciate the fact that the action of the Supreme Court of the United States in declaring the Triple A Act unconstitutional in 1936 had some affect upon it. If he knew anything about the subject, if he will study what happened during that period of time, which I know he will not do, because he does not give any time or study to any subjectbut if he were to give a little time or study to it, he would know what occurred on the floor of the Senate during the special session of 1937, when an effort was made during that period to bring about a solution of the farm problems, and the Senators on the other side of the Chamber stood here day after day during the period of that special session doing everything they could to impede progress upon that piece of legislation in order to make it possible that the farm bill would not be effective in 1938 and in order to make it possible that in the fall of 1938 the Republicans could go out and campaign among the agricultural districts and misrepresent the facts, as they did, telling the farmers that nothing had been done for them, telling the farmers that the Democratic Party did not have any interest in them, and succeeding in electing a few Members to the House of Representatives and to the Senate upon the basis of such misrepresentation.

Before the Senator starts to talk about agriculture I suggest that he go back and read about the dark days of the 1920's. The depression did not start for the farmer in October 1929. The depression started for the farmer, I believe, in August or September 1921.

Mr. BRIDGES. It is fortunate enough for the farmers of the country that they do not have to depend on the guidance or philosophy of the Senator from Washington, who probably never earned a day's living working on the farm.

Mr. SCHWELLENBACH. The Senator just happens to be as much mistaken about that as he is about anything else. I have worked on a farm, having performed all the menial tasks necessary to be done on the farm. The Senator is simply as accurate in discussing my life as he is in anything else he discusses.

Mr. BRIDGES. I should like to hear more about the actual experience which the Senator has had on a farm, which was some years ago apparently.

Mr. SCHWELLENBACH. I do not know that I care to— Mr. BRIDGES. Most of his philosophy is now based on an anti or hatred phobia developed against the Hoover administration.

Mr. SCHWELLENBACH. I do not have any hatred toward them. If the Republicans had not made such a colossal flop from 1921 to 1932, we probably would not have gotten in office in 1933. There is no hatred in my heart toward that administration.

Mr. BRIDGES. The Senator evidently mistakes when he says that the farmers agree with him, because last fall all over in the agricultural districts the men who had preached the same doctrine as the Senator from Washington now preaches were kicked out of office, and Republicans came into

power, elected by the farmers of the country. What has the Senator to say to that?

Mr. SCHWELLENBACH. I have no quarrel about that. The Republicans through the medium of the press, which they so amply controlled, were able to misrepresent the facts about agriculture to the farmers of the country last fall, and unfortunately there was a shortage of memory on the part of farmers in many sections of the country. They did not remember the treatment they received during the 12 years of the Harding, the Coolidge, and the Hoover administrations, and did adopt the false philosophy that maybe the Republicans would do something for them. But, while we are on the subject of farm philosophy, what is the Senator's philosophy about helping the farmers? Perhaps his philosophy in that respect is that of balancing the Budget, doing away with the T. V. A., attacking the 2-percent clubs—or just what does the Senator propose to do for the farmer?

Mr. BRIDGES. I am going to cutline that some day.

Mr. SCHWELLENBACH. We will all be very much interested, because if the Senator should present a constructive program for the farmer it would be the first one that has left his lips since he came to the Senate.

Mr. BRIDGES. I will tell the Senator something. I have had to spend quite a good deal of my time, as have others of my associates on this side of the aisle, together with some of the Senators on the other side of the aisle, in endeavoring to do something, even in a very humble way, to stop the unsound practices and the unsound philosophies of the administration, that they were endeavoring to enact into law.

Mr. SCHWELLENBACH. Well, it may be that some of the things done have been unsound. I am not quite willing

to admit that.

Mr. BRIDGES. I did not think the Senator would admit anything done by the New Deal was unsound.

Mr. SCHWELLENBACH. Certainly there is no lack of sound coming out of the Senator from New Hampshire. [Laughter in the galleries.] We have heard a lot of sound coming from him in the last few years.

Mr. BRIDGES. And we have heard some sound coming from the Senator from Washington, but I am surprised that the Senator should be so unfaithful to the Great White Chief in the White House as to admit that any philosophy or practice of the New Deal was wrong.

Mr. SCHWELLENBACH. I said I was not willing to go so far as to admit that.

I think it is a terrible thing that the Senator from New Hampshire has a farm program, a program that will solve all the farm problems in this country, and that he does not let the country know what it is. I am sure the people from one end of the country to the other are waiting for the words of wisdom to fall from the Senator's lips, but, Mr. President, he is keeping it a secret. I do not think the farmers of this country are going to be happy, and I doubt whether they will be able to sleep very much, knowing now that their great leader, the Senator from New Hampshire, has a farm program and that he will not tell them what it is. Is the Senator waiting until after the Republican convention next year, when the Senator receives the Republican nomination for the Presidency, before he reveals the program he has? I think that is really comparable with what Senators on the Republican side did in the fall of 1937-delaying action on the matter. Why can we not have this program now and put it into effect?

Mr. BRIDGES. I expect to wait until I come to the Senator's home State of Washington this fall and have a chance to get a little of the background and backlog from his own farm experience to weave in with my own in order that I may present a sound program. If my program has any defects, I am sure adding the Senator's experiences on the farm will correct them.

Mr. SCHWELLENBACH. Does that mean that the Senator does not have one now and that he will have to wait until he comes out to the State of Washington before he will have one?

Mr. BRIDGES. No. I have one, but I want to know the Senator's experience first.

Mr. SCHWELLENBACH. Does the Senator mean that he would try it out on my constituents first to see if it is acceptable there?

Mr. BRIDGES. I have had a good deal of correspondence with the people from the State of Washington and never yet have I talked with a citizen from the State of Washington or received a communication from one who considers the Senator from Washington to be a farm expert. Apparently he is a self-appointed expert like most of the New Dealers.

Mr. SCHWELLENBACH. The trouble with the Senator from New Hampshire is that the people who come in and visit the Senator in his office are in a great minority in the State of Washington. They represent only 5 percent. Let him talk to some of the ordinary common people of the State of Washington. Do not talk to some of the rich people, such as customarily visit Washington. Go out there and talk to some of the common people and the Senator will find out how I stand.

Mr. BARKLEY. Mr. President, will the Senator yield? Mr. BRIDGES. I yield.

Mr. BARKLEY. Probably the Senator from New Hampshire proceeds on the theory that it is better to surprise the people than to disappoint them, and knowing that they would be disappointed if they heard that he had no farm program he would rather surprise them when they found out what it was.

Mr. SCHWELLENBACH. I think the farmers will all be surprised if they find that the Senator from New Hampshire has a farm program; but, also, if the program were to be put into effect, it would probably disappoint the farmers of the

Mr. BRIDGES. Probably no one would be more surprised than the senior Senator from Kentucky, who stood on the floor and congratulated me on the speech I was to make in his State, and extending good wishes to the two people he said would attend the Young Republican State Convention in Ashland, Ky., and hoping that they would enjoy my speech.

Mr. BARKLEY. I understand both of them did. Mr. BRIDGES. They both did, and about 600 more who were in attendance at the meeting. Let me tell the Senator they were enthusiastic. They were full of life. And the chief ambition, as nearly as I can make out of those young people, is to solidify the Republican Party down there, build it up so that when the Senator from Kentucky runs for office again he may be retired to private life.

Mr. BARKLEY. Are they going to solidify it around the Senator from New Hampshire?

Mr. BRIDGES. No; they are going to solidify it around some outstanding Republican in the Senator's home State of Kentucky.

Mr. BARKLEY. If the Senator will discover him, I will almost be willing to wish him well.

Mr. MINTON. I think the Senator from New Hampshire should not spread this news too widely, because if the Young Democrats of Kentucky were to become wildly enthusiastic about the Senator from New Hampshire he might have to look out.

Mr. BRIDGES. That would indicate that they were wilder than we expected.

#### TRUTH IN FABRIC

The Senate resumed the consideration of the bill (S. 162) to protect producers, manufacturers, distributors, and consumers from the unrevealed presence of substitutes and mixtures in spun, woven, knitted, felted, or otherwise manufactured wool products, and for other purposes.

Mr. HILL. Mr. President, there has been some discussion today of the importation of wool rags into this country, particularly in view of the reduction in the tariff duty on wool rags on January 1 of this year. The figures compiled by the Department of Commerce show for the first 4 months, January, February, March, and April 1937 the imports amounted to 3,226,551 pounds; in the same period of 1938, 170,261 pounds; in the same period of 1939, 2,817,000 pounds.

In this connection I ask unanimous consent to insert in this place in the Record a table showing these imports from 1929 through 1938, as compiled by the Department of Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Table I.—United States imports of wool rags 1

The state of the s	Imports for co	nsumption
	Quantity (pounds)	Value
1929 1930 1931 1932 1933 1934 1935 1936 1937 1938	10, 668, 467 10, 433, 396 824, 323 741, 657 1, 691, 390 968, 341 1, 588, 808 6, 015, 508 4, 809, 478 794, 436	\$5, 538, 251 2, 852, 456 229, 014 158, 013 464, 864 413, 523 573, 604 1, 984, 563 1, 858, 638 262, 201

<sup>1</sup> Commerce and Navigation, Department of Commerce.
<sup>2</sup> Preliminary.

Mr. BARKLEY. Mr. President, it is obvious we cannot finish consideration of the bill today. I will submit a unanimous-consent request looking toward limitation of debate.

I ask unanimous consent that beginning tomorrow and during the further consideration of this measure, no Senator shall speak more than once or longer than 30 minutes on the bill, nor more than once or longer than 10 minutes on any amendment thereto.

The PRESIDING OFFICER. The Senator from Kentucky asks unanimous consent that beginning tomorrow no Senator shall speak more than once or longer than 30 minutes on the bill, nor more than once or longer than 10 minutes on any amendment. Is there objection?

Mr. AUSTIN. Mr. President, I do not intend unnecessarily to delay the closing of the debate, but I think we should not make such an agreement tonight, and I shall object, with the view that tomorrow morning after the roll call, when there are present other Senators who, I know, are interested in the bill, I may confer with them, and then shall be pleased to have the distinguished leader of the majority raise the same question.

Mr. BARKLEY. Very well.

The PRESIDING OFFICER. Objection is heard.

### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

## EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. Lodge in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the same committee, reported adversely the following nominations:

Raymond A. Kennedy to be postmaster at Libertyville, Ill., in place of R. A. Kennedy; and

John J. Welch to be postmaster at Deerfield, Ill., in place of J. J. Welch.

Mr. HUGHES, from the Committee on the Judiciary, reported favorably the nomination of Frederick V. Follmer, of Pennsylvania, to be United States attorney for the middle

district of Pennsylvania.

Mr. WHITE, from the Committee on Foreign Relations, reported favorably without reservation Executive J, Seventy-sixth Congress, first session, a regional radio convention for Central America, Panama, and the Canal Zone signed at the Regional Radio Conference for Central America, Panama, and the Canal Zone at Guatemala City on December 8, 1938, and submitted a report (Ex. Rept. No. 17).

Mr. HARRISON, from the Committee on Foreign Relations, reported favorably without reservation Executive K, Seventy-sixth Congress, first session, a convention between the United States of America and Sweden for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxation, signed at Washington on March 23, 1939, and submitted a report (Ex. Rept. No. 18).

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the calendar.

#### NATIONAL RESOURCES PLANNING BOARD

The legislative clerk read the nomination of Charles W. Eliot to be Director of the National Resources Planning Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Frederic A. Delano to be a member of the National Resources Planning Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles E. Merriam to be a member of the National Resources Planning Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

# POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That concludes the calendar.

## RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 47 minutes p. m.) the Senate took a recess until tomorrow, Friday, July 21, 1939, at 12 o'clock meridian.

# NOMINATIONS

Executive nominations received by the Senate July 20 (legislative day of July 18), 1939

# ASSISTANT ATTORNEY GENERAL

Francis M. Shea, of New York, to be Assistant Attorney General in charge of the Claims Division of the Department of Justice, vice Sam E. Whitaker, resigned.

## INTERSTATE COMMERCE COMMISSIONER

William J. Patterson, of North Dakota, to be an Interstate Commerce Commissioner for a term expiring December 31, 1945.

## RECONSTRUCTION FINANCE CORPORATION

Sam Husbands, of South Carolina, to be a member of the board of directors of the Reconstruction Finance Corporation for the unexpired term of 2 years from January 22, 1938.

#### NATIONAL RESOURCES PLANNING BOARD

George F. Yantis, of Washington, to be a member of the National Resources Planning Board.

#### COLLECTOR OF CUSTOMS

Joseph A. Ziemba, of Chicago, Ill., to be collector of customs for customs collection district No. 39, with headquarters at Chicago, Ill. (Reappointment.)

PROMOTIONS IN THE COAST GUARD OF THE UNITED STATES

The following-named ensigns to be lieutenants (junior grade) in the Coast Guard of the United States, to rank as such from June 8, 1938:

John W. MacIntosh, Jr. Christian R. Couser. Richard R. Smith

Appointments to Temporary Rank in the Air Corps in the Regular Army

Lt. Col. Carlyle Hilton Wash, Air Corps, to be colonel, from July 14, 1939.

Maj. Ross Franklin Cole, Air Corps, to be lieutenant colonel, vice Lt. Col. Carlyle H. Wash, Air Corps, nominated for appointment as temporary colonel, Air Corps.

Capt. Hugo Peoples Rush, Air Corps, to be major, from July 19, 1939.

#### APPOINTMENTS IN THE REGULAR ARMY

The following-named first lieutenants of the Dental Corps Reserve for appointment as first lieutenants in the Dental Corps, Regular Army, with rank from date of appointment:

Jesse Moyer Swink Jack Benjamin Caldwell Raymond Waldmann Carroll Godfrey Hawkinson George Herbert Moulton George Broughton Foote

# PROMOTIONS IN THE REGULAR ARMY

#### TO BE COLONEL

Lt. Col. George Winship Easterday, Coast Artillery Corps, from July 14, 1939.

#### TO BE LIEUTENANT COLONEL

Maj. Clinton Albert Pierce, Cavalry, from July 14, 1939.

# TO BE MAJORS

Capt. John Redmond Thornton, Cavalry, from July 14, 1939.

Capt. Douglas Horace Rubinstein, Infantry, from July 17, 1939.

## APPOINTMENTS AND PROMOTIONS IN THE NAVY

Lt. Comdr. George H. Mills to be a commander in the Navy to rank from the 1st day of July 1939.

The following to be assistant surgeons in the Navy with the rank of lieutenant (junior grade), to rank from the 15th day of July 1939:

Michael V. MacKenzie Richard P. Wilson Donald W. Miller George N. Thompson, Jr. Everett P. Kirch Lewis L. Haynes Tom T. Flaherty Daniel W. Boone John B. MacGregor Reginald R. Rambo Benjamin B. Langdon Aubrey C. Stahr Samuel H. Oliver Mark S. Curtis Martin E. Conti Arthur M. Barrett Vincent M. Dungan Richard L. Fruin Paul H. Morton Clifford A. Stevenson John V. Prevost John R. Marron Charles S. Hascall, Jr. Harry N. Kirban George L. Tabor, Jr. Lester J. Pope

Edward P. Irons Joseph J. Timmes Russell E. Hanlon Lynn S. Beals, Jr. Samuel C. White John E. Nardini Martin Cooperman Alvin J. Paulosky John W. Thomas Otto C. Baumgarten James K. Van Deventer Bruce L. Kendall Harry T. Stradford Wilfrid D. McCusker Thomas F. Wright DeSales G. DuVigneaud Carl N. Ekman Philip C. Guzzetta, Jr. Paul Deranian William J. James Phillips L. Claud George M. Hutto Vincent F. Biondo Elvin E. Keeton Norman E. King Ferdinand V. Berley

James Crawford Hugh V. O'Connell Lester L. Smith Alton C. Bookout James F. Handley, Jr. Haydon Rochester Leonard H. Barber

John G. Feder

John H. Cox Arthur E. Gulick Jaroud B. Smith, Jr. Horace D. Warden Leslie W. Langs Edward T. Byrne Jacob G. Hebble 3d

Lt. Comdr. William V. Davis, Jr., to be a lieutenant commander in the Navy to rank from the 22d day of September 1938, to correct the date of rank as previously nominated and confirmed.

The following-named commanders to be captains in the Navy to rank from the 1st day of July 1939:

Carleton H. Wright Ralph S. Wentworth Lunsford L. Hunter

The following-named lieutenant commanders to be commanders in the Navy to rank from the 1st day of July 1939:

Kendall S. Reed Edward E. Pare Frederick B. Kauffman

Lt. Robert G. Lockhart to be a lieutenant commander in the Navy to rank from the 1st day of May 1939.

The following-named lieutenants to be lieutenant commanders in the Navy to rank from the 1st day of July 1939:

Erksine A. Seay John C. Daniel Braxton Rhodes Louis T. Young Charles R. Skinner Charles R. Woodson Roy M. Signer

Myron E. Thomas John P. Bennington Ralph H. Wishard Harold R. Stevens Alfred H. Richards Burnice L. Rutt Victor D. Long

The following-named ensigns to be lieutenants (junior grade) in the Navy to rank from the 4th day of June 1939: Sherman "E" Wright, Jr. Paul C. Stimson George A. Wagner, Jr. David Zabriskie, Jr.

Lieutenant (junior grade) George R. Stone to be a lieutenant in the Navy to rank from the 1st day of October 1938.

#### MARINE CORPS

Capt. James A. Stuart to be a major in the Marine Corps from the 1st day of December 1938.

Capt. Shelton C. Zern to be a major in the Marine Corps from the 1st day of April 1939.

Capt. Frank D. Weir to be a major in the Marine Corps from the 1st day of June 1939.

Capt. Reginald H. Ridgely, Jr., to be a major in the Marine Corps from the 1st day of July 1939.

The following-named first lieutenants to be captains in the Marine Corps from the 1st day of July 1939:

Clarence O. Cobb Sidney S. Wade

The following-named second lieutenants to be first lieutenants in the Marine Corps from the 1st day of July 1939:

Thomas C. Moore, Jr. Bryghte D. Godbold Noah J. Rodeheffer Richard A. Evans Stuart M. Charlesworth John B. Heles Robert F. Scott Erma A. Wright

The following-named citizens to be second lieutenants in the Marine Corps from the 1st day of July 1939: Roger S. Bruford, a citizen of Massachusetts.

Lee A. Christoffersen, a citizen of South Dakota. Frank H. Collins, a citizen of Maine. Richard M. Day, a citizen of Wyoming. George T. Fowler, a citizen of Wyoming. Louis L. Frank, a citizen of New Hampshire.

Elmer L. Gilbert, a citizen of New York. Joseph A. Gray, a citizen of Indiana. Ralston R. Hannas, Jr., a citizen of Illinois.

John D. Howard, a citizen of Iowa. Robert W. Kaiser, a citizen of Oklahoma. Howard E. King, a citizen of Iowa.

William D. Masters, a citizen of Illinois.

Robert C. McDonough, a citizen of Louisiana. Louis Metzger, a citizen of California. William G. Muller, Jr., a citizen of Missouri. Martin E. W. Oelrich, a citizen of Nebraska. Ralph R. Penick, a citizen of Ohio. Richard Quigley, a citizen of Rhode Island. John T. Rooney, a citizen of Wyoming. Lester A. Schade, a citizen of Wisconsin. Norman E. Sparling, a citizen of New York. Lyman D. Spurlock, a citizen of Nebraska. Curtis R. Vander Heyden, a citizen of California. Lyndon Vivrette, a citizen of California.

Tom R. Watts, a citizen of Oklahoma.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate July 20 (legislative day of July 18), 1939

NATIONAL RESOURCES PLANNING BOARD

Charles W. Eliot to be director of the National Resources Planning Board.

Frederic A. Delano to be a member of the National Resources Planning Board.

Charles E. Merriam to be a member of the National Resources Planning Board.

# POSTMASTERS

ARKANSAS

Irvin A. Blakely, Gurdon. Robert M. Wilson, Hope. Arlis L. Coger, Huntsville. Della Kay, Keiser. James H. Carnahan, Prairie Grove. Travis E. Hamlin, Taylor.

Lena M. Bohrn, Hansen. Frank H. Chapman, Parma.

**ILLINOIS** 

Arthur S. Austin, Altona. Herman G. Wangelin, Belleville. Elmer E. Dallas, Cerro Gordo. Marsel F. Snook, Cutler. James M. Ryan, East Moline. Roy M. Cocking, Erie. Kile E. Rowand, Fairmount. Hazel A. Richmond, Fillmore. Maxine Loy, Maquon. Otto F. Giehl, Metamora. John F. Hartsfield, Monticello. Henry R. Richardson, Moweaqua. Walter W. Schultz, Oakglen. Joseph L. Lynch, Oak Park. Roy S. Preston, Pekin. Charles F. Schmoeger, Peru. Jacob Sand, Roanoke. West M. Rourke, Springfield. Edward G. Zilm, Streator. Harry C. Strader, Westfield.

MASSACHUSETTS

Joseph G. Woodbury, Oxford.

NEW MEXICO

Frank J. Wesner, Las Vegas. Mary E. Love, Lovington. Antonio F. Martinez, Sante Fe.

NEW YORK

Mary J. O'Brien, Bedford. Antoinette C. Longworth, Hewlett.

SOUTH DAKOTA

Florence Ferguson, Canton. Ian H. Maxwell, Delmont. Edward E. Colgan, Edgemont. Clarence J. Curtin, Emery. Robert H. Benner, Gary. Ernest A. Schlup, Hudson. Charles R. Dean, Rockham. Inez M. Bruner, Sanator. Charles F. Barg, White.

TITAH

Niels Stanley Brady, Fairview. Jesse M. French, Greenriver. Lydia R. Strong, Huntington.

WEST VIRGINIA

Harry W. Coplin, Elizabeth. Emery L. Woodall, Hamlin. Winston C. Harbert, Lumberport. Effie L. Hedrick, Mabscott. George Leonard Smith, Petersburg. Lyman G. Emerson, Reedsville. William B. Snyder, Shepherdstown. Joseph C. Archer, Sistersville. Ellen G. Hilton, Ward.

WISCONSIN

Clarence L. Jordalen, Deerfield. Mathew E. Lang, Gillett. James D. Cook, Marinette. Anna C. Buhr, Marion. Harry A. Victora, Middleton. Harry V. Holden, Orfordville. Edwin F. Hadden, Poynette. Michael T. Lenney, Williams Bay.

# HOUSE OF REPRESENTATIVES

THURSDAY, JULY 20, 1939

The House met at 11 o'clock a. m.

Dr. E. Howard Cadle, pastor of Cadle Tabernacle, Indianapolis, Ind., offered the following prayer:

Our Heavenly Father, we would pause a moment to look into Thy face and thank Thee for caring for us through the night. We would not know how to go through this day without placing our hand in Thy blessed hand.

We pray, our Heavenly Father, for the good relations of this hour. May there come to us a realization that Thou art still of the giving hand. We pray for everyone who is under the sound of our voice, and for this Congress. O God, may we so conduct our deliberations that we shall hear Thee say,

Well done, thou good and faithful servant.

O God, we pray for our Nation, the greatest in all the world. We have fought for it. We are loving it and praying for it this morning. We understand, dear Lord, that nothing can come that will harm us if a righteous people keep us in prayer. Guide and guard the homes of this Congress. Send Thy guardian angel to protect their homes and keep us under the shadow of the cross.

In the name of Him who loved us, even Christ, our Saviour, Amen.

The Journal of the proceedings of yesterday was read and approved.

# MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is re-

S. 2635. An act to amend the Federal Crop Insurance Act. The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6503. An act relating to the exchange of certain lands in the State of Oregon.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2170. An act to improve the efficiency of the Coast Guard, and for other purposes.

#### MAJOR OVERHAULS FOR CERTAIN NAVAL VESSELS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6065) to authorize major overhauls for certain naval vessels, and for other purposes, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

After line 11, insert:

"SEC. 2. The President is hereby authorized to acquire two motor vessels from the Maritime Commission and to convert them for use by the Navy at a total cost of such acquisition and conversion of not more than \$2,500,000."

Amend the title so as to read: "An act to authorize major over-hauls for certain naval vessels, to authorize the acquisition of two motor vessels for the Navy, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the amend-

Mr. VINSON of Georgia. Mr. Speaker, the amendment just submitted to H. R. 6065 is the same as reported in H. R. 5142. The matter was brought to the attention of the Committee on Naval Affairs this morning, and I was authorized to ask the House to accept the Senate amendment. The purpose of the Senate amendment, which is the same as the bill to which I have just referred-H. R. 5142-is to permit the Navy to acquire from the Maritime Commission two ships at a cost of not to exceed \$2,500,000, which ships now belong to the Grace Line and which the Maritime Commission will take in a lending contract that they have with the Grace Line with reference to financing some new building for the Grace Line. These ships will be used in the work in the far Pacific. They are the particular type of ship that the Navy would have to have or else it would be compelled to ask Congress to authorize the building of ships for that particular

It is unanimously agreed to by the committee.

Mr. MARTIN of Massachusetts. I have no objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were agreed to. A motion to reconsider was laid on the table.

# ACQUISITION OF CERTAIN ADDITIONAL LAND FOR MILITARY PURPOSES

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5735) to authorize the acquisition of additional land for military purposes, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert:

"That the Secretary of War is hereby authorized to acquire, in such order or priority as he may determine, title to additional land, or interest therein, or right pertaining thereto, to the extent of the approximate areas hereinafter set forth, for the establishment, enlargement, and essential improvement of the following military reservations, posts, and facilities:

"Fort Ethan Allen Artillery Range, Vt., 4,451 acres, more or less.

"Antiaircraft Firing Range, Mohave Desert, north of Barstow and Baker, Calif., 749,440 acres, more or less.

"Fort Bliss, Tex., 51,300 acres, more or less.

"Fort Devens, Mass., 6,448 acres, more or less.

"Fort Dix, N. J., 1,750 acres, more or less.

"Fort Knox, Ky., 51,342 acres, more or less.

"Fort Dix, N. 3., 1,700 acres, more or less.
"Fort Knox, Ky., 51,342 acres, more or less.
"Leon Springs, Tex., 13,253 acres, more or less.
"Camp McCoy, Wis., 1,000 acres, more or less.
"Fort George G. Meade, Md., 10,000 acres, more or less.
"Pine Camp, N. Y., 1,670 acres, more or less.
"Seventh George Axes Trailing Genter, south control Los

"Seventh Corps Area Training Center, south central Iowa, 40,000 acres, more or less.

"Fort Meade, S. Dak., 7,680 acres, more or less. "Fort Lewis, Wash., 2,830 acres, more or less. "Maxwell Field, Ala., 100 acres, more or less.